Daily Report

Central Eurasia

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CONTENTS

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DUMA ELECTION ISSUES

Key Developments

NDR Agent Rejects Government Resignation Rumor *[IZVESTIYA 30 Sep]* 1
Communist Party Opens First Election Campaign *[INTERFAX]* 1
MVD Forensic Experts Check Signatures *[PRAVDA 3 Oct]* 2
Kuptsov, Zyuganov on Latest Developments *[PRAVDA 30 Sep]* 3
Lysenko Outlines Aims of National Republican Party *[RABOCHAYA TRIBUNA 29 Sep]* 3
'Landowners' Back NDR Bloc Despite Dissension *[SEGODNYA 27 Sep]* 5
OGONEK Features New, Old Faces on Election Lists *[Sep]* 6
Information Administration Tabulates Parties' TV Airtime *[ARGUMENTY I FAKTY Sep]* 9

Regional Activities

Rossel's 'Transformation' Holds Congress in Yekaterinburg *[OBSHCHAYA GAZETA 28 Sep-4 Oct]* 10
SEGODNYA Details Novgorod Election Campaign *[28 Sep]* 11
Parties Said Using Bribery, Coercion in Voronezh *[KOMSOMOLSKAYA PRAVDA 3 Oct]* 12
Daily Rates Novosibirsk Deputies, Compares Candidates *[VECHERNIY NOVOSIBIRSK 20 Sep]* 12

Election Guidelines

CEC Report Outlines Election Procedures for Servicemen *[KRASNAYA ZVEZDA 30 Sep]* 13
CEC Warns Against False Information in Election Documents *[ROSSIYSKAYA GAZETA 3 Oct]* 14

Forecasts & Commentary

Shakhray Pessimistic About Election Outcome *[ROSSIYSKIYE VESTI 29 Sep]* 14
Solovyeva in Custody for Financial Scheming, 'Tax Dodging' *[INTERFAX]* 16

INTERREGIONAL AFFAIRS

Kozyrev Opens CIS Foreign Ministers Council Meeting *[Radio Rossii]* 17
Briefs Ministers on Yeltsin Edict *[ITAR-TASS]* 17
ITAR-TASS Carries Press Review for 3 Oct 17

RUSSIA INTERNATIONAL AFFAIRS

Bosnia's Silajdzic Pays 'Unexpected' Visit to Moscow 19
Moscow To Resume Gas Supplies *[Moscow Radio]* 19
Talks Touch on B-H Economic Revival *[ITAR-TASS]* 19
Silajdzic Praises 'Mutual Understanding' *[ITAR-TASS]* 20
Daily: NATO Expansion Has 'Anti-Russian Features' *[PRAVDA 3 Oct]* 20
Military Plans Nuclear Counter to NATO Enlargement *[London THE TIMES 30 Sep]* 21
New Defense Doctrine Would Stem NATO Expansion *[KOMSOMOLSKAYA PRAVDA 6 Oct]* 22
Moscow To Proceed With Nuclear Deal With Iran *[ITAR-TASS]* 22
U.S. Dual-Use Nuclear Technology Said Helping Iran *[KOMSOMOLSKAYA PRAVDA 3 Oct]* 23

Daily Doubts PRC Sale of Nuclear Technology to Iran *[KOMSOMOLSKAYA PRAVDA 3 Oct]* 23
Foreign Ministry Regrets Latest French Nuclear Test *[ITAR-TASS]* 24
Test Information Said Passed to U.S., UK *[INTERFAX]* 24
Military Delegation Visits Belgrade After Bosnia *[ITAR-TASS]* 24
Rybkin: Anti-Yugoslav Sanctions Cost $50 Billion *[KRASNAYA ZVEZDA 30 Sep]* 25

RUSSIA NATIONAL AFFAIRS

Political Issues

Yeltsin, Chernomyrdin Hold 'Working Meeting' *[ITAR-TASS]* 26
Analysts Forecast Yeltsin Strategy on No-Confidence Vote *[ITAR-TASS]* 26
Yeltsin Rejects Draft Law on Political Parties *[Moscow ORT]* 27
Yeltsin Edict Seen as 'Trial Balloon' for Election Delay *[OBSHCHAYA GAZETA 28 Sep-4 Oct]* 27
Yeltsin: President To Make Decisions on Government Shares *[INTERFAX]* 28
IZVESTIYA Examines Rumors on Chernomyrdin's Future *[3 Oct]* 28
Article Questions Need For Presidential Science Council *[KURANTY 26 Sep]* 29
Authorities Preparing Personal Data Protection Law *[IZVESTIYA 30 Sep]* 31

Military Issues

Chernomyrdin Visits Strategic Missile Command *[INTERFAX]* 32

Federal Assembly

Government Confidence Vote Not on State Duma Agenda *[INTERFAX]* 32
Parliamentarians Differ Over October 1993 Revolt *[ITAR-TASS]* 32

Regional Affairs

Chechnya Reportage; Negotiations, Military, Politics 33
Lobov Answers U.S. Ambassador's Questions *[ITAR-TASS]* 33
Lobov on Possible Oil Industry Financing *[ITAR-TASS]* 33
Conscripts Face Longer Military Service *[Moscow NTV]* 34
Cossack Village Plight Reported *[MOSKOVSKAYA PRAVDA 30 Sep]* 34
Commission To Work With Field Commanders *[INTERFAX]* 35
Chernomyrdin Insists on Peaceful Settlement *[ITAR-TASS]* 35
Maskhadov Hails Government Resolution *[ITAR-TASS]* 36
Volskiy: Progressive Forces Not Unified *[INTERFAX]* 36
Khasbulatov Calls For Legitimate Leaders *[INTERFAX]* 36
Presidential Adviser on Ossetian-Ingush Settlement *[INTERFAX]* 37
Admiral Gromov Inspects Northern Fleet *[ITAR-TASS]* 37
Chelyabinsk Has 'Highest' Nuclear Radiation Level *[INTERFAX]* 37
Cossack Union Created in Chelyabinsk Region *[INTERFAX]* 38
Yakutia President Upbeat on Economy, Term Extension *[KOMMERSANT-DAILY 30 Sep]* 38
Tula Deputies Face Pressure To Stand Down *[ROSSIYSKAYA GAZETA 28 Sep]* 38
Daily Discusses Elections in Tuva, Adygeya *[SEGODNYA 29 Sep]* 39
Soskovets on Economic Development in Tatarstan *[INTERFAX]* 39
Irkutsk Oblast's Privatization Progress Assessed *[VOSTOCHNO-SIBIRSKAYA PRAVDA 21 Sep]* 40

Economic Issues

State-of-the-Economy News Conference Reported *[SEGODNYA 30 Sep]* 41
Economic Head on Russian Economic Achievements *[London FINANCIAL TIMES 3 Oct]* 41
Committee Reports Foreign Trade Up 20 Percent *[ROSSIYSKAYA GAZETA 30 Sep]* 42

International Body Analyzes Russia's Energy Sector *[IZVESTIYA 29 Sep]* 44
1994 Dropping of Panskov Bribe-Taking Charges Viewed *[KOMSOMOLSKAYA PRAVDA 28 Sep]* 45

UKRAINE

International Affairs

Report on EU Commission Envoy Kharkov Visit *[VREMYA 23 Sep]* 50
Journalists Infer No Yeltsin-Kuchma Summit This Year *[HOLOS UKRAYINY 29 Sep]* 50
Belarus President Viewed as Kiev-Moscow 'Mediator' *[KIYEVSKIYE VEDOMOSTI 26 Sep]* . 50
Moroz Meets Kuwaiti Delegation on Oil Purchase *[ITAR-TASS]* 51
Discuss Building Oil Pipeline From Kuwait *[INTERFAX]* 52
Kiev, Kuwait Discuss Opening Embassies *[UNIAN]* 52
Saskatchewan Premier, Marzguk Discuss Cooperation *[UNIAN]* 52
Kuchma, Finnish Leader Want 'More Trust, Fewer Borders' *[HOLOS UKRAYINY 28 Sep]* 52
Communique Issued on Polish-Ukranian Relations *[INTELNEWS]* 53

National Affairs

Analyst on Significance of Joining Council of Europe *[MOLOD UKRAYINY 28 Sep]* 53
Official Warns Against Abandoning Neutral Status *[INTERFAX]* 54
Kiev Meets Schedule For Withdrawal of Warheads *[INTERFAX]* 54
Country Joins Five European Conventions on Crime *[HOLOS UKRAYINY 29 Sep]* 54
Council of Regions Discusses Government Action Program *[UNIAN]* 54
One-Day Warning Strike Observed by Donbass Mines *[UNIAN]* 55

Economic Issues

Decree on Foreign Investments by Residents *[INTELNEWS]* 55
Deputy Prime Minister Interviewed on Economy *[INTELNEWS]* 56
National Bank Announces New Currency Regulations *[INTELNEWS]* 57
'Shadow Economy' Expansion Causes Production Slump *[INFOBANK]* 58

WESTERN REGION

Belarus

Pact With Russia on Hard Currency, Exports *[Minsk Radio]* 59
Commentary Ridicules Lukashenka Moscow Visit *[SVABODA 29 Sep]* 59
Lukashenka Seen Turning Into Dictator *[IZVESTIYA 27 Sep]* 60

Moldova

Strasbourg Concerned Over Possible 'Presidential Regime' *[INFOTAG]* 63
Delegation Leader Previews 3 Oct CIS Conference *[INFOTAG]* 63

CENTRAL ASIA

Turkmenistan

Application Submitted To Join Nonaligned Movement *[ITAR-TASS]* 65
Work on Turkmen-Iranian Railway Stepped Up *[TURKMEN PRESS]* 65
Joint Venture Opens Liquified Gas Producing Plant *[TURKMEN PRESS]* 65

CAUCASUS

Georgia

Russian Interior Ministry To Seek, Detain Georgadze *[IPRINDA]* 67

Police Depart For Moscow To Arrest Georgadze *[ITAR-TASS]* 67
Communist Party Denies Leader Involved in Terrorist Acts *[INTERFAX]* 68
Russian Unit Moves Closer to Abkhaz-Georgian Border *[IPRINDA]* 68
Shevardnadze on Plan To Restore Georgia's Integrity *[MOSKOVSKIY KOMSOMOLETS 26 Sep]* 68
Shevardnadze on New National Currency *[Tbilisi Radio]* 69
Abkhaz President Awaits Georgian Compromises *[PRAVDA-5 29 Sep-6 Oct]* 71

BALTIC STATES

Estonia

Official Denies Possibility of Joining NATO *[INTERFAX]* 74

Latvia

Election Winners Negotiate To Form Government *[INTERFAX]* 74
Movement for Latvia Shows Gains *[Riga Radio]* 74
Rightwing Parties Form Coalition *[Riga Radio]* 75
Council Satisfied With Election *[Riga Radio]* 75

Lithuania

Foreign Ministry 'Welcomes' NATO Document *[BNS]* 75
Russia To Exchange Nuclear Fuel for Electricity *[BNS]* 76

Key Developments

NDR Agent Rejects Government Resignation Rumor

MM0210120695 Moscow IZVESTIYA in Russian 30 Sep 95 p 2

[Interview with S. Belyayev, chief of "Russia Is Our Home" election headquarters, by Vasiliy Kononenko; place and date not given: "'Russia Is Our Home' Electoral Staff Rules Out Possibility of Resignation of Government and Premier" — first paragraph is IZVESTIYA introduction]

[FBIS Translated Text] Strangely enough S. Belyayev, chief of the "Russia Is Our Home" [NDR] election headquarters, devoted his first press conference less to election matters than to the danger of a deterioration in the political situation in Russia. He also dwelt on this problem during a conversation with your IZVESTIYA correspondent.

[Belyayev] The State Duma session 4 October opens the current corps of deputies' last "semester." The session is expected to begin by discussing the draft 1996 state budget. There are already reports today that this issue will spark off another political wrangle. Many groups of deputies do not like stabilization, which is seen as a factor working in favor of the premier, the leader of the NDR. A number of deputies' factions are already collecting signatures in favor of putting the question of confidence in the government on the agenda. I. Rybkin knows this and is also concerned at the prospect. The government does not, regrettably, have its own strong political support within the State Duma, and that is a unique situation. We predict that those in favor of the government's resignation will not be successful. Some deputies realize that an effort to sow discord in society will not meet with understanding from the voters. For this reason many deputies may even fail to turn up for the State Duma session.

To put it briefly, we do not fear the government's overthrow, but we do fear possible chaos in the country. At the same time if the premier and the government were to resign, that would benefit the NDR and its leader.

[Kononenko] Sergey Georgiyevich, is the premier keeping tabs on the situation in the country and in the economy?

[Belyayev] That is a tricky question. I have spent many government sessions trying to see what kind of Cabinet V. Chernomyrdin has: a party-based cabinet, a coalition cabinet, or what. In my view it is the cabinet that he inherited from I. Silayev and Ye. Gaydar. What is the result? The professional approach that V. Chernomoyrdin regards as paramount has done the trick. Balance has been achieved between reformers and conservative cabinet members. However, there are signs of discord among cabinet members on ideological grounds.

The premier is keeping tabs on the situation, but there are channels for implementing the decisions that are adopted and they are often blocked. Take the problem of funding the agro-industrial complex. Good decisions have been adopted on leasing and on commodity credit. But they have regrettably been totally distorted at local level. The situation is roughly the same with regard to the funding of military-industrial complex enterprises. And very tough decisions have been taken regarding funding for miners. Money has reached associations and then gotten bogged down there. We can really see sabotage by those forces that are themselves trying to secure power.

[Kononenko] Whom do you regard as your supporters today and whom do you regard as your enemies? What electorate are you relying on?

[Belyayev] We do not get on well with parties either on the radical left or the radical right. We are directing our attention to the broad center, to enlisting those voters who refrain from attending political gatherings. They represent around 65 percent of voters, and they are floating voters. We expect to win them over on the slogan of stability and order against chaos.

[Kononenko] In your view how warranted are the rumors that V. Chernomyrdin may resign as premier and be replaced by Yu. Skokov?

[Belyayev] All that is just rumor. Any politician regardless of his social support can of course aspire to the premiership. However, that will not work after the elections. It will be necessary to direct attention to the victors. That is why I am convinced that there will be no change of premier before the elections. V. Chernomyrdin himself has never expressed a desire to take a rest or hand over the reins to anyone. The idea that the premier will resign is a provocation organized by people striving to destabilize the situation in the country and derive personal benefit from doing so.

Communist Party Opens First Election Campaign

LD0110163995 Moscow INTERFAX in English 1358 GMT 1 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 1 (INTERFAX) — The Communist party of Russia is the first to start the election campaign because its list of candidates to the State Duma was the first to be officially registered by the Central Election Commission.

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"During about 10 days we collected about a million of signatures in support of our candidates to the parliament (instead of the required 200,000 — IF). If it's needed, we will collect 5 million signatures," leader of the Communist Party of Russia Gennadiy Zyuganov said at a meeting with voters in Moscow Saturday.

About 1,500 supporters of the Communist Party warmly greeted candidates to the State Duma from the Communist Party who took part in the meeting, including present State Duma deputies Anatoliy Lukyanov and Vitaliy Savostyanov, a Federation Council member Aman Tuleyev, General Valentin Varennikov, cosmonaut Svetlana Savitskaya, artist Nikolay Gubenko.

Zyuganov said "our Russia, which has suffered a lot," had three options: "the first way leads to war of everybody against everybody and would transform Russia into a big Chechnya. The second way leads to the state of criminals. Only the third way, chosen by the Communist Party, would save the country and unite the people through the election of true patriots to the State Duma."

Varennikov said: "We failed in 1991 and in 1993 but this time we will make it."

Leader of the Ukrainian Communist Party and its faction in the Ukrainian parliament Petr Simonenko said that "those who are 'independent' from the needs of their people, gangsters, mafia and frauds currently run" "the sovereign states (former Soviet republics — IF)."

Zyuganov told a press conference Saturday that he was under attentive surveillance by special services. He said his telephone was bugged and he was followed by special services everywhere. He said he had recently had a chance to see "Zyuganov papers" accumulated by special services.

Nonetheless, Zyuganov said he believed that special services "will never be loyal to the regime which constantly betrays the country." He said he would advise those following him to look through the papers of former USSR KGB leaders Nikolay Yezhov and Lavrenty Beriya (both of them were sentenced to death and executed — IF).

Zyuganov said that in the next State Duma four or five blocs will have a total of 40%-50% of parliamentary seats. He said that in the next State Duma the Communist Party might interact "on principal issues" concerning the implementation of reforms, social protection, the country's territorial integrity with the Agrarian Party, the Power - For People bloc led by former USSR premier Nikolay Ryzhkov, "probably, with the Congress of Russian Communities" led by Yuriy Skokov and Aleksandr Lebed. "I can't even rule out Grigoriy Yavlinskiy (the Yabloko leader — IF)," Zyuganov said.

Zyuganov said the Communist Party maintained permanent contacts with Yuriy Skokov and Aleksandr Lebed "not only on the level of the leaders themselves but also with those who know them well in order to determine our positions and decide how we could combine our efforts."

Zyuganov said the Communist party had 515,000 members, about 25% of them younger than 30 years. "The Communist party has over 20,000 branches in the regions," he added. Zyuganov said the Communist Party would work with its potential voters very closely and even personally.

Zyuganov said he had invited to elections to the State Duma observers from China and Japan. He said he was in favor of the parliaments of former Soviet republics also sending their observers to parliamentary elections in Russia.

MVD Forensic Experts Check Signatures

MM0310100595 Moscow PRAVDA in Russian 3 Oct 95 p 2

[Report by Valentina Nikiforova: "Communists Join Forces After All. Election Campaigning Has Started"]

[FBIS Translated Text] The Communist Party of the Russian Federation [CPRF] has been registered with the Central Electoral Commission [CEC]. The exacting members of the Commission were satisfied with the number of signatures collected (totaling around 1 million) and the 230,000 submitted to the CEC. And they checked them in minute detail — even forensic experts from an MVD [Ministry of Internal Affairs] laboratory were brought in.

The party has embarked on a new stage — it has the right to start campaigning and propaganda work, although the collection of signatures in support of it will continue. Various forms and methods will be used. Unfortunately the CPRF does not have much money, and if anyone should have the possibility of supporting it, it would be accepted with gratitude.

The Union of Communist Parties-Communist Party of the Soviet Union Political Executive Committee session held Saturday [30 September] adopted a majority decision (only V. Tyulkin voted against) to support the CPRF in the election campaign. Petr Simonenko, first secretary of the Communist Party of Ukraine Central Committee, announced this immediately after the session at a meeting with voters at the Parliamentary Center.

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And there are people to support. The candidate deputies from the CPRF include 32 workers, more than 70 economic leaders, 69 teachers, doctors, 25 agrarians, and 11 people from the world of culture. It is important that there are a considerable number of new people among the candidates. Everyone knows G. Zyuganov, A. Tuleyev, S. Goryacheva, A. Aparina, V. Varennikov, N. Gubenko, and V. Zorkaltsev, of course. But when you talk to the cosmonaut Svetlana Savitskaya, for example, you realize that this is an absolutely mature politician. And there is no doubt that the ideas of restoring a unified strong state will make faster headway in the State Duma with her as a deputy.

Or take two other people: Dmitriy Krasnikov, chairman of the "Zavety Ilich" collective farm near Moscow, and Vladimir Tikhonov, director of the "Shuyskiye Sittsy" joint-stock company — their experience will be the factor ensuring that draft laws are rooted in real life, which will also help entire sectors of the national economy to get out of crisis.

You can envy Gennadiy Gamza from Amur Oblast, Oleg Shenkarev from Bryansk Oblast, and many other candidate deputies their staunchness and ability to prepare for action. Incidentally, on Saturday V. Kuptsov, G. Seleznev, and V. Peshkov held a seminar of local newspaper editors at which it was agreed to exchange information with PRAVDA and PRAVDA ROSSII. And on the subject of the press, it has to be said that it will play a decisive role in the election campaign. The subscription campaign is currently in progress — a suitable time for campaigning and propagandization of the party's ideas and the Communists' platform. And although a subscription to, say, PRAVDA is not cheap, it is necessary, very necessary to support the newspaper.

Kuptsov, Zyuganov on Latest Developments

MM0210110095 Moscow PRAVDA in Russian 30 Sep 95 p 1

[Report by Valentina Nikiforova: "Communist Party of Russian Federation: Successes at the Start"]

[FBIS Translated Text] At a routine meeting with journalists, V. Kuptsov, first deputy chairman of the Communist Party of the Russian Federation [CPRF] Central Committee Presidium, announced that reports are coming in from the districts on the registration of candidate deputies. Nine Communists have already been officially registered. They include A. Lukyanov, A. Aparina, S.Goryacheva, and A. Mikhaylov. A federal list is also ready for registration at the Central Electoral Commission.

The CPRF is gathering momentum for the elections. "How will the party build relations with other communist and socialist blocs? Rivalry to the point of bloodletting?" journalists asked.

"Work is being built in two directions: through voters' clubs and collective support for single candidates," V. Kuptsov explained. "Thus, in Altay kray 23 public organizations have united and in Smolenskaya Oblast 20. They all supported A. Lukyanov's candidacy. Joint efforts will be needed also to monitor the course of the entire election campaign."

Returning from a tour of the Far East, G. Zyuganov, chairman of the CPRF Central Committee Presidium, was uncommunicative.

"I met with economic leaders and asked one question: How have you prepared for the winter?" G. Zyuganov told journalists. "And they gave me an example. In Ussuriysk there are 300 boiler houses. Every month they turn off energy supplies. And if a boiler house is turned off five times it goes out of commission.... The regions which the country has been developing for centuries are eking out a miserable existence. In the past four years 400,000 people have left the Far East alone. When you compare the facts it becomes clear that there is a purposeful exodus of highly skilled workers."

This made all the more vivid the contrast with Japan, which G. Zyuganov visited. He has a mass of impressions from his meetings. But the main thing is — what is the secret of the success of the land of the Rising Sun?

"The secret is simple. Everyone there serves their Fatherland," was the reply.

Lysenko Outlines Aims of National Republican Party

MM0210154095 Moscow RABOCHAYA TRIBUNA in Russian 29 Sep 95 p 6

[Interview with State Duma Deputy Nikolay Lysenko, chairman of the National Republican Party of Russia, by Sergey Aleksandrov, under the "Viewpoint" rubric; place and date not given: "We Seek No Other Motherland for Ourselves" — first two paragraphs are RABOCHAYA TRIBUNA introduction]

[FBIS Translated Text] The recent scandal inside our parliament aroused interest in those who took part in the brawl, as you would expect. The editorial office received a flood of phone calls and questions. Readers who witnessed the actions of certain people's elected representatives on television were interested in their views — probably so as to check theory against practice.

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Journalist Sergey Aleksandrov met with State Duma Deputy Nikolay Lysenko, chairman of the National Republican Party of Russia [NRPR].

[Aleksandrov] Nikolay Nikolayevich, could you describe the NRPR for us?

[Lysenko] Its current membership stands at around 11,500, and it has 36 regional branches, 12 of which have been officially registered. In terms of social composition the party consists primarily of the scientific intelligentsia, workers, servicemen, and students.

[Aleksandrov] Whom do you regard as your allies in the Russian political spectrum?

[Lysenko] On our left the Congress of Russian Communities, on our right Zhirinovskiy's party. With two "buts," however. The Congress of Russian Communities has still not shown itself to be a political organization, and its general ideological choice is not yet clear. We are troubled by the fact that this movement includes figures of a pan-Islamic orientation such as Yuriy Khamzatovich Kalmykov. The same can be said about Zhirinovskiy. We unambiguously support his domestic political program, but on foreign policy Zhirinovskiy speaks from extremely harsh, expansionist positions and is aiming for the unconditional support of the Islamic states. We do not need confrontation with the West; we need a reasonable balance.

[Aleksandrov] How do you interpret the Republican idea in Russia?

[Lysenko] This idea has a long-standing historical tradition. When choosing our party's name we pursued two aims. On the one hand it was necessary to clearly distance ourselves from the ideological and political baggage of the Russian nationalists before 1917.

That is why we did not use titles such as the "Russia Party" but preferred the traditional Western form. Unlike other representatives of the ethnic opposition we speak as a party which wants the total modernization of Russia, largely along Western lines. However, we rely not on so-called pan-human values but on the national tradition — Russian national values. We have entered the political arena as the party of emphatic ethnocentrism.

We say: Yes, there are world interests, the interests of other powers, and our party is prepared to take them into account; moreover it is ready to cooperate constructively with the West so long as it is on the basis of our own Russian interests.

[[Aleksandrov] When you say "ethnocentrism" do you distinguish one ethnic group from the rest?

[Lysenko] Of course. We say specifically that Russia is first and foremost the country of the Russians. In Russia 85 percent of the population is indigenous Russian. By all the international norms, including the Helsinki Pact, 62 percent is sufficient to enable one to speak of priority for the indigenous majority. Of course, this does not mean that we are going to draw a line putting Russians on one side and non-Russians on the other.

But at the same time we must say clearly and unambiguously that Russia must be governed primarily by the Russians, it is they who must prosper above all in Russia, and the state must serve their interests first. All the other peoples of Russia are our historical partners. We see no reason to divide nations on grounds of citizenship; these rights must be the same for all.

[Aleksandrov] Do you plan to enshrine that at a legislative level?

[Lysenko] Of course. In France the indigenous majority stands at 71 percent and the French Constitution is written in the name of the French people, whereas we in Russia, where the population is 87 percent Russian if you include refugees, speak in the name of some kind of multiethnic people.

[Aleksandrov] Does it not seem to you that the practical implementation of your concept will inevitably lead to the decentralization of Russia and possibly the disintegration of the federation?

[Lysenko] I do not rule out the possibility that outbursts of regional separatism and national extremism may occur. There should be no illusions here. Had this concept been implemented in 1917, if the czar's government had begun to elaborate targeted plans to develop the Russians as a nation, that would have been perceived by all the non-Russian peoples as a perfectly natural and reasonable process. The years of Soviet power and perestroyka left their mark on the mentality of all the non-Russian peoples, some of whom developed a materialistic attitude toward the Russian majority.

In Chechnya and the republics of the CIS, the slogan "Russian slaves, stay where you are!" has appeared. I think that if our concept is implemented in stages rigorously and clearly, on the one hand, and publicly and completely openly on the other, the ethnic minorities will understand that it is better for them to live peacefully and develop their ethnic cultures and economies integrated into the great Russian state's economy. National separatism in Russia will end when we Russians show that our hand will not tremble and we will stop at nothing to preserve our country's unity. If our troops in Chechnya had not stopped after Basayev's attack on

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Budennovsk, the situation would have stabilized there long ago.

[Aleksandrov] Unfortunately, the conditional tense has little to do with real politics....

[Lysenko] In my view, in Dudayev's camp there is not a single politician, there are only bandits and terrorists who have killed our peaceful fellow countrymen. That is why it is necessary to completely cleanse Chechen territory of bandit formations. We must demonstrate ruthless force. Not violence, but force in defense of the requirements of the law and the Constitution.

[Aleksandrov] Do you view Russia solely as the territory of the former RSFSR or as something broader? Is integration with Ukraine and Belarus possible, in your view?

[Lysenko] As a man with Ukrainian roots I understand very well that Russian history is also the history of Ukraine. It cannot be canceled out by some agreements signed in the Belovezhskaya Forest. It is only the general insanity of the lords and masters and the specific economic benefits that the comprador elite derive from the existence of borders that preserve the present divisions. Our party has its own Ukraine policy aimed at the integration of Russia and Ukraine, and in this regard we are actively cooperating with the representatives of the sensible section of the Ukrainian diaspora.

As for the other regions, I would say without going into details that they can be abandoned. Aleksandr Solzhenitsyn was absolutely right on this matter. We were unable to absorb them or integrate them, they remained alien bodies and infected the whole state organism.

[Aleksandrov] How do you intend to overcome the "common insanity" in practice?

[Lysenko] Every Russian politician knows the remedy. It is necessary to cooperate actively with those political structures in Ukraine and Belarus which advocate an alliance with Russia. When they win elections, the reunification question will be settled within 24 hours.

[Aleksandrov] What is your position on the Yugoslav crisis?

[Lysenko] It is necessary to help the Serbs and the help must be comprehensive in character. We must understand that the war in Serbia is not for that republic's future but for the future of our country and even Europe. Europe is pursuing an insane policy in that war.

What the Americans are seeing now is Europe leaving the U.S. ship. Europe is ready to cast off and set an independent course, especially since there is no real threat to the Europeans from the east. The Americans have sensed that trend and need to create new problems for Europe.

In the Americans' view the right course has been chosen — the intensification of the Islamic factor in Europe itself creates difficult problems for the European nations, and this explains why the United States is giving the Bosnian Muslims such active support. Just consider this: The Americans are now surrendering the geopolitical positions of their loyal ally Israel in exchange for the loyalty of the Muslim world.

Their next step is the creation of a full-fledged Islamic state in the heart of Europe. We cannot even imagine how serious this step is, and its consequences are unpredictable. But the Russian leadership is pursuing a totally impotent policy, which is simply ridiculed by yesterday's allies and yesterday's enemies alike.

[Aleksandrov] If you come to power, what will you do with your political opponents?

[Lysenko] Those who do not have foreign financial support but rely on Russia's own forces must be allowed to continue working legally, except for the Communists, who must leave Russia's political scene once and for all. The lobbyists who represent foreign states' interests must leave with them. It is common knowledge that certain political parties enjoy broad support not only from the West, furthermore, but from the East too. For example, A. Dikiy's book "The Jews in Russia and the USSR" ["Yevrei v Rossii i v SSSR"] was published in Novosibirsk recently. I have found out that this project was financed by a Russian-Arabic firm registered in Tatarstan. It suits some Islamic states to kindle anti-Semitism in our country and fuel it with pan-Eurasian ideas.

[Aleksandrov] Which politicians in Russian and Western history do you feel closest to?

[Lysenko] The one I respect most is Bismarck, whom I consider an outstanding politician. In Russia's historical past I would say Prince Gorchakov, Stolypin, Bezborodko, and Razumovskiy.

'Landowners' Back NDR Bloc Despite Dissension

MK0310083795 Moscow SEGODNYA in Russian 27 Sep 95 p 2

[Report by Mikhail Lantsman: "'Russia Is Our Home' Will Hold an Alternative Peasant Gathering. President of the Association of Russian Peasant (Private) Farms

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and Agricultural Cooperatives Has Called on Landowners To Step Up Fight for Peasant Vote"]

[FBIS Translated Text] Two all-Russia peasant gatherings will possibly convene in Moscow at the same time on 27 October. As is known, opponents of private landownership will gather under the "cover" of the Agrarian Party. The leadership of the "Russia Is Our Home" [NDR] electoral bloc, in its turn, seems to have appreciated the effectiveness of its opponents' electoral propaganda and has decided to hold an alternative meeting of the peasantry on the same day. Yesterday a conference of the regional leadership of the "Landowners Union of Russia" [LUR] was held in Moscow, where issues of mobilizing peasant support for the NDR were considered. A month and a half ago, as the LUR's joining Viktor Chernomyrdin's bloc was being discussed, Vladimir Bashmachnikov, the Union's leader and President of the Association of Russian Peasant (Private) Farms and Agricultural Cooperatives [ARPPFAC], found it a difficult matter to convince individual peasants that the electoral strategy he had decided on was right. "Why must we support the head of government, in whose Cabinet two Agrarian Party leaders occupy key positions, while ARPPFAC structures have been denied state support?," the farmers asked in bewilderment. Mr. Bashmachnikov was blamed for betraying the ideals of the farmers' movement in exchange for sops promised by the state. Rostov farmers linked their fate with Svyatoslav Fedorov's electoral bloc. Yuriy Chernichenko's Agrarian Party remained true to Yegor Gaydar. However, no major split occurred in the LUR. Yesterday's meeting gathered representatives from 46 provinces.

It would appear that yesterday Mr. Bashmachnikov managed to convince his supporters that they have taken the right tack. "You should grasp with your peasants' brains that the main idea of our union is not to lean on the bosses." Its main idea, he is confident, is that the economic-minded wing in the present government of Viktor Chernomyrdin is alone capable of implementing real reforms in agriculture. Their current implementation is hampered by another wing, that of the agrarian lobby: "Chubays is trying to back us, writing some papers, but he seems to lack strength." Mr. Bashmachnikov urged that provincial LUR leaders charge themselves with energy, draw on the party documents, and step up electoral campaigning in their provinces.

Meanwhile, the provincial leaders were skeptical as to the possibility of rallying the peasant masses under the NDR's banners, accounting for their view by the financial famine and the considerable influence the Agrarian Party enjoys in rayon administrations. Thus, according to Mikhail Petrov, a farmer from Penza, all rayon administrations have received from the oblasts a plan for raising signatures in favor of the Communists and the Agrarians. Mr. Bashmachnikov's reply was terse: "Folks, we won't manage to sit on the fence. A pink Thermidor is imminent. [sentence as published] It is high time we launched an offensive." Vladimir Ryzhkov, a member of the NDR executive committee, in charge of cooperation with the provinces, expanded on the ARPPFAC president's laconic rejoinder to make it more intelligible. In his words, the country's agrarian policy is directly affected by the composition of the Duma. Without a powerful thrust by the agrarian lobby, Mr. Nazarchuk would never have held the post of minister of agriculture, he claimed. In the event the NDR loses the fight for the peasant electorate, farmers will end up receiving no state support and giving up the property they have already purchased, Mr. Ryzhkov claimed. The NDR leadership promised that it would supply advocates of private landownership with the necessary visible support.

OGONEK Features New, Old Faces on Election Lists

954F3532B Moscow OGONEK in Russian Sep 95 No 37, p 16

[Article by Yevgeniy Matonin and Dmitriy Dostavalov under the "Elections: Lists" rubric: "Parties Turn to Voters With Twelve 'Top' Individuals"]

[FBIS Translated Text] **Last week the majority of the main parties and blocs finally determined their election lists.**

True, with respect to the approved lists the majority of the population are interested in issues that are rather removed from high-level politics. For example, who does Aleksey Batalov or Rolan Bykov favor, who is Lyudmila Zykina singing for and Yuriy Antonov playing for? And this is correct. As it turns out, it is the creative-decorative part of the party electoral registers that has proved to be the most unexpected and subject to certain changes, and therefore the most interesting.

In everything else the lists are completely stable. All the faces and names are familiar. All one has to do is look at just the central lists of the main hopefuls for a victory in December. For convenience we can divide their candidates into four groups. "Previous candidates"—politicians who were in power but left because of certain reasons. "Present candidates"—active bureaucrats and deputies. "New candidates"—those appearing on the big political stage for the first time. The support group—members of lists invited to attract the masses of voters. Here is how it turns out.

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Politicians who have already been in power, as we can see, are not fashionable today. There are none even among the communists and agrarians, which are perhaps the major political forces that respect past experience and traditions most. Among the main candidates for leadership in the new Duma the most "previous" ones are found in the KRO [Congress of Russian Communities] and the CPRF [Communist Party of the Russian Federation]—three.

It is typical that the "former candidates" predominate among the clear outsiders of the election campaign, for example in Nikolay Ryzhkov's Power to the People! bloc, which was literally built on them. But the main candidates for victory are the parties of the present day and today's politicians. And the more purposefully they move to power, the fewer there are of newcomers and "decorative" in the headings of their lists. The most typical examples are YaBLoko and the LDPR [Liberal Democratic Party of Russia].

Communists and agrarians are trying to follow approximately the same path. True, they have to respect their on the whole more elderly voters—hence the number of "former candidates" in their ranks. Valentin Kuptsov and Svetlana Goryacheva are tokens of respect to the older confirmed communists.

Incidentally, the CPRF has one of the "oldest" central lists: The average age of the 12 main communists is 51.

The difficult situation of Russia's Choice has probably forced them to resort to tested methods anyway—to include popular people on the list.

The inclusion on the NDR [Russia Is Our Home] list of a large number of bureaucrats was not in keeping with the movement's interests. Here, for example, is another task—to show that NDR is not all the "party of the nomenklatura" but a kind of "inviolable bloc" of "domorossy" [refers to people in the NDR bloc] with all the other citizens of Russia. Hence such a large number of "new" and "decorative" people.

Judging from everything, it is very difficult to get "new" politicians on the general federal lists and perform mainly the role of a kind of physiological filler as, for example, in the CPRF and the NDR. Or something is needed from them. Obviously, trade union boss Boris Misnik and big businessman Mikail Yuryev are not simply Yavlinskiy's spiritual mentors.

In general, if one looks at the lists carefully one can find direct documentation of the fact that the people who have been in charge of the country for the past three years or have published the laws have liked this process very much. And they would like to prolong it. The majority of currently functioning politicians from the first dozen parties are deputies in the parliament. There is nothing strange about that—the new Duma will be a serious one that lasts four years. Not like the current one.

Therefore to be re-elected is the dream of every legislator today. But what will the voters say...?

	Groups of politicians			
Blocs				
"Former"	"Current"	"New"	Support group	
Russia Is Our Home	None	V. Chernomyrdin	V. Bashmachnikov	N. Mikhalkov
		L. Rokhlin	V. Martynov	G. Volchek
		S. Belyayev		Zh. Alferov
		N. Travkin		D. Karimova
		V. Kinilev		
		V. Ryzhkov		
Congress of Russian Communities	Yu. Skokov	S. Glazyev	T. Malyutina	None
	A. Lebed	D. Rogozin	M. Kolchev	
	Yu. Kalmykov	L. Vartazarova	V. Romanov	
		S. Burkov	O. Denisov	
		S. Goncharov		

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	Groups of politicians			
YaBLoko	None	G. Yavlinskiy	B. Misnik	None
		V. Lukin	M. Yuryev	
		T. Yarygina		
		A. Melnikov		
		V. Sheynis		
		V. Igrunov		
		I. Grachev		
		A. Arbatov		
		O. Dmitriyeva		
		S. Mitrokhin		
Democratic Choice of Russia—United Democrats	E. Vorobyev	Ye. Gaydar	Ye. Medvedkova	L. Fedoseyeva-Shukshina
		S. Kovalev	A. Rudenko-Desnyak	
		Yu. Chernichenko		
		B. Zolotukhin		
		V. Tatarchuk		
		G. Tomchin		
		A. Pochinok		
		A. Osovtsov		
Liberal Democratic Party of Russia	None	V. Zhirinovskiy	None	None
		S. Abeltsev		
		A. Vengerovskiy		
		S. Zhebrovskiy		
		A. Mitrofanov		
		V. Gusev		
		S. Kalashnikov		
		O. Finko		
Communist Party of Russia	Yu. Maslyukov	G. Zyugan	V. Vorotnikov	V. Tarasov
	S. Goryacheva	V. Chikin	A. Podberezkin	
	V. Kuptsov	A. Tuleyev	N. Savelyev	
		A. Ionov		
		Yu. Ivanov		

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	Groups of politicians			
Agrarian Party of Russia	V. Starodubtsev	M. Lapshin	None	V. Akatyev
	M. Trunov	A. Zaveryukha		
		V. Isakov		
		A. Nazarchuk		
		A. Popov		
		A. Davydov		
		A. Belashov		
		A. Vorontsov		
		N. Sukhoy		

The table contains parties and blocs which, according to experts, have the greatest chances of success.

Information Administration Tabulates Parties' TV Airtime

954F3562A Moscow ARGUMENTY I FAKTY in Russian Sep 95 No 39, p 2

[Report prepared by the Information Administration of the Russian Federation president's staff on information, commentary, and information-analytical evening programs of ORT, VGTRK "Russia," and NTV television companies, under the "Details" rubric: "Politicians on Television"]

[FBIS Translated Text] During the first 10 days of September, television regularly informed the viewing audience of the formation of electoral coalitions at party congresses and conferences.

But television is not an inanimate mechanism—first of all it is people, with their likes and dislikes. A man at the director's control panel can throw out one segment or stretch another one. Why he does this—out of personal affinity, for money, or because he has been ordered from higher up—is not that important. What is important is the result: The more frequently a politician appears on television, the higher the chances that people will vote for him.

The lists of electoral coalitions that have clocked the greatest amount of air time on three television channels differ somewhat. For instance, the Social-Democratic Union, which is among the leaders at ORT [Public Russian Television] and VGTRK [All-Russia State Television and Radio Company] television channels, did not make it into the group of air time leaders on NTV, where it is listed 12th. The Congress of Russian Communities is not among the air time leaders at VGTRK "Russia," but the second on its list is Democratic Choice of Russia—United Democrats, which is absent in the list of air-time leaders at ORT and NTV.

The electoral coalition of a communist and national-patriotic orientation that made it into the list of air-time leaders basically had equal opportunities at ORT, VGTRK "Russia," and NTV, with the exception that the CPRF [Communist Party of the Russian Federation] only made it to the leadership group on ORT, and the LDPR [Liberal Democratic Party of Russia] did not make it to the VGTRK "Russia" leadership group at all.

Over the period of 1 to 10 September, the distribution of air time made available for information about electoral coalitions on ORT, VGTRK "Russia," and NTV television channels was as follows (in descending order of air time quantity; shown in parentheses): 1. Ivan Rybkin's bloc (23:22); 2. Russia Is Our Home (18:07); 3. Trade Unions and Industrialists of Russia—Union of Labor (16:19); 4. Agrarian Party of Russia (12:59); 5. Great Power (Derzhava)—Rutskoy (12:35); 6. Patriots' Union (11:26); 7. Public coalition Yabloko (8:17); 8. Social-Democratic Union (6:14); 9. Congress of Russian Communities (6:13); 10. LDPR (5:58); 11. CPRF (4:45); 12. Democratic Choice of Russia—United Democrats (4:30); 13. Pamfilova—Gurov—Lysenko (Republican Party of Russia) (2:40); 14. Democratic Russia—Free Trade Unions (2:38); 15. Russian Muslims Union (2:20); 16. Russian Environmentalist Party (Kedr) (2:04); 17-18. Stable Russia (1:37); 17-18. Political party Christian-Democratic Union—Russia's Christians (1:37); 19. Party of Workers' Self-Rule (1:35); 20. Bloc-89 (1:07); 21. Zemstvo Assembly (Zemskiy Sobor) (0:54); 22. Stanislav Govorukhin's bloc (0:42); 23-24. For the Fatherland! bloc (0:20); 23-24. Communists—Workers' Russia—For the

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Soviet Union (0:20); 25. Political movement Women of Russia (0:16); 26. Power to the People! (0:09).

The quantitative distribution of three leading television companies' air time between blocs of different orientation was as follows: electoral coalitions of democratic orientation—15; electoral coalitions of communist-patriotic and socialist orientation—5; electoral coalitions of national-socialist orientation—2; other electoral coalitions—4.

Regional Activities

Rossel's 'Transformation' Holds Congress in Yekaterinburg

MK0310083895 Moscow OBSHCHAYA GAZETA in Russian No. 39, 28 Sep-4 Oct 95 p 8

[Report by Yelena Dikun under the "Technology of Power" rubric: "The Kremlin's New Combination: A Party of Governors Against the Premier's Party"]

[FBIS Translated Text] The constituent congress of the "Transformation of the Fatherland" electoral bloc, headed by Sverdlovsk Oblast Governor Eduard Rossel, was held in Yekaterinburg last Saturday [23 September]. Vladimir Shumeyko, chairman of the Russian Federation Council, arrived from Moscow to attend the event.

As soon as Vladimir Filippovich [Shumeyko] set foot on Yekaterinburg soil, he told journalists who were attacking him with questions that "had he been an ordinary voter he would have collected all these booklets with electoral blocs and thrown them into a garbage can — I would have voted for those who live here, whom people really know and respect, regardless of what party they belong to." At subsequent meetings with oblast Duma deputies, with the management of the Kalinin defense plant and the "Uralmash" enterprise, and with delegates to the "Transformation" congress, the speaker of the upper chamber consistently furthered his anti-party line, interspersing it with harsh criticism of the budget and tax policy pursued by the government and unfavorable assessments of the electoral bloc headed by the prime minister.

According to Shumeyko, "Russia Is Our Home" [NDR], like others, represents "interest groups." He even specified whose interests these are: "One home or another, but when the raw material producers are at the helm, it is clear that it defends the interests of raw material producers." For this reason Vladimir Filippovich's heart is with the newly-created "Transformation" movement, and he hopes to convince voters to back the "transformers" by setting a personal example.

In an attempt to encourage the local public, Vladimir Filippovich said that "the political center is moving toward the Urals." "'Transformation' may not be the most formidable movement, but it is the strongest one in ideological terms, because the all-Russia idea germinates here," was how the high-ranking guest from Moscow summed up his assessment.

The idea germinated by Eduard Rossel is not quite new. The program documents of "Transformation" set forth the regional leaders' traditional desire to get rid of Moscow's patronage. Assessing the central authorities' policy in exclusively negative terms, the "transformers" state: "What we propose is transformation of our Fatherland through regions, a transformation that will mean an end to a government that stands only by its own interests, that has bloated its bureaucracy to unprecedented proportions, that imposes on us arrangements for our home, not theirs, that fritters away our riches." Specifically, "Transformation" plans to seek the equality of federation components, budget federalism, and the devolution of power. The Rosselites are also displeased with the results of privatization and are not averse to adjusting them.

It is well known that two prominent Moscow politicians — Sergey Shakhray and Yuriy Skokov — have attempted to play the regional card in company with the Sverdlovsk governor. Eduard Ergartovich refused to reciprocate the former's feelings. "Shakhray has already ridden the crest of the regional idea, but this was a one-time hobbyhorse for him, just to carry out an electoral campaign," were the reasons Rossel gave for his refusal in a conversation with your OBSHCHAYA GAZETA correspondent. "As for Skokov, we have reached agreement with him. I know Yuriy Vladimirovich as a reasonable man; he treads the same path I do. But our merger would have only done harm. If we clear the 5-percent hurdle, we will set up a joint bloc in the State Duma."

So a fairly curious party came about in Yekaterinburg. The chairman of the Federal Assembly's upper chamber explicitly gave his backing to a movement opposed to the government and made it absolutely clear that the Russian premier's bloc is no longer the president's mainstay. It is also well known that Vladimir Filippovich does not do anything just so, nor does he add his own words to the rehearsed lines. As he himself reminded the audience at the Yekaterinburg meeting, "throughout the past five years Shumeyko has been working so as to make the presidential authority stronger." Usually it is Vladimir Filippovich whom the Kremlin entrusts with flying trial balloons, which the leadership uses to sound out the mood in society. Suffice it to recall Shumeyko's shocking statements about extending the Federal Assembly's term of office, Abkhazian separatism, and forming the Federation Council by presidential edict. To all appearances, this time

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around Shumeyko's Yekaterinburg voyage with all its "off-the-cuff" remarks was orchestrated and authorized at the very top.

This hypothesis was confirmed by Rossel's press secretary Aleksandr Levin. He told your OBSHCHAYA GAZETA observer that during Eduard Rossel's recent audience with the president, Eduard Ergartovich told Boris Nikolayevich in detail about his movement. "The president supported the idea of 'Transformation,' saying that it has a logic and meaning. Half an hour after the meeting the president had a conversation with Shumeyko. It is not ruled out that the president advised Vladimir Filippovich to pay attention to our movement." Rossel himself added: "Everything we are presently seeing is, to some extent, the president's reaction to our meeting."

What kind of solitaire is being played in the Urals? In all likelihood, the Kremlin is trying to redesign the "party of power" according to new blueprints. After Ivan Rybkin failed to create the "left wing" and the idea of a "two-bloc" center collapsed, it became evident that the votes of all those who support the current regime will end up in the same "basket" — Chernomyrdin's. Therefore, regardless of the results of the parliamentary elections, the prime minister will become the sole candidate of the "party of power" in the presidential elections. This prospect does not enthuse the Kremlin occupants. Moreover, according to reliable sources, they are just as afraid of Chernomyrdin's strengthening there as they are of a Zyuganov victory. The concept of the new game is simple: To remove the heads of executive and legislative authority of the federation components from the NDR and to set the regional bureaucracy against the federal bureaucracy, thus depriving the premier's bloc of administrative support "on the ground."

By taking up the regional leaders' favorite slogans, the center is acting to the detriment of its own interests. Some time ago Moscow's encroachments cost Eduard Rossel the post of oblast administration head. Presently there are no particular illusions about the Sverdlovsk governor in Moscow's high places either. Quite recently a high-ranking official from the president's entourage told your OBSHCHAYA GAZETA observer that Rossel is "a very dangerous man." But since Chernomyrdin is just as dangerous, the Kremlin strategists are trying to stage a play that is as old as the world, namely, to set two enemies at loggerheads.

To all appearances, the Kremlin's betting on Rossel will not turn out to be more advantageous than betting on Ivan Rybkin. Moscow came to its senses too late: There are no serious regional leaders in "Transformation" except for Eduard Rossel himself and Irkutsk Governor Yuriy Nozhikov. Convincing governors that they should hastily desert the ranks of the NDR to join "Transformation" will be quite a difficult task. The governors are also perfectly aware of the bottom line of the alternative party concept, and they are unlikely to be willing to play lighthearted games. The story of Novosibirsk Oblast Governor Ivan Indinok, who suddenly jumped from "Transformation's" bandwagon at the eleventh hour, is a case in point. Rossel explained Indinok's unexpected departure from the troika of leaders as follows: "Ivan Ivanovich seriously supports me, but he is a very decent man. In the evening right before the congress he remembered that he heads the NDR."

One should not overestimate the capabilities of the two main architects of the new party construction project. The impression that Shumeyko and Rossel have undisputed authority with regional elites is an obvious overstatement, all the more so because Rossel's movement is eliciting a natural antipathy in ethnic republics. Thus, "Transformation" can fulfill a fairly concrete mission — even failing to win a single seat, it will take some votes away from "Our Home." There is a name for it: A dog in the manger. Presumably, all opposition parties and blocs will enthusiastically endorse this undertaking of the Kremlin.

SEGODNYA Details Novgorod Election Campaign

MK0310083395 Moscow SEGODNYA in Russian 28 Sep 95 p 2

[Report by Tatyana Shchipanova: "In Novgorod, Only Candidates Are Concerned About the Elections. Local 'Russia Is Our Home' Will Focus on Contesting Governor's Post"]

[FBIS Translated Text] The announcement of two December elections — for State Duma deputies and for the post of Novgorod Oblast administration head — has thus far sparked enthusiasm only among the candidates themselves, as well as the associations and blocs backing them. By 26 September, the oblast electoral commission had been informed by 11 people of their intention to run for deputy on single-seat constituency lists, and 12 people voiced their intention to run on the lists of social movements. So far the governor's post is being contested only by the governor himself. Featuring on the single-seat constituency lists are nominees of the Communist Party of the Russian Federation, the "Women of Russia" and "Forward, Russia" movements, the Liberal Democratic Party, "Derzhava," and several representatives of medium-sized businesses nominated by a group of voters. Among the self-nominated are two unemployed residents and one revolutionary, sitting on

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the steps of the entrance to the oblast administration building collecting signatures in his own support.

Of the 15 electoral associations registered in the oblast, only seven have nominated their candidates, with two of them — "Women of Russia" and the "Beer Lovers' Party" — being represented by Moscow aspirants, Mrs. Lakhova and Mr. Lukashevich. Upon their one- or two-day visits to the oblast, Moscow officials, as a rule, leave behind only a regional branch of the movement or party they associate themselves with. The lightning visits leave no time for them to understand what sort of people will serve as their mouthpiece. Rushing not infrequently muddles things up. Thus, a Novgorod public figure, Mrs. Lisitsina, currently heading the regional branches of both the "Union of Realists" (siding with Rybkin's bloc) and "Common Cause" (of Irina Khakamada), is at the same time a member of the Democratic Party of Russia and of the public fund in defense of the president. Mr. Spirov did not get along with his comrades in the Liberal Democratic Party, so he took over the regional branch of the "Forward, Russia" movement, and being on its lists now, is collecting signatures for the State Duma elections.

"Russia Is Our Home — Novgorod" has somewhat ostentatiously backed off from nominating candidates (although the oblast governor, Mr. Prusak, is a member of "Home's" central council and the credentials commission chairman), letting it be known that it will not contest the State Duma elections but will instead focus financial and all other efforts on the election of the oblast administration head. On the initiative of Novgorod's "Home," free legal, psychological, and economic advice bureaus have been opened in "Dialog" social and business centers, which according to the commercial advertisements, can even "give disillusioned Novgorod residents hope of family happiness."

Parties Said Using Bribery, Coercion in Voronezh

MM0310110295 Moscow KOMSOMOLSKAYA PRAVDA in Russian 3 Oct 95 p 1

[Unattributed report under the "Inform" rubric: "Chernomyrdin's Bloc Is Valued at 2,000 Rubles"]

[FBIS Translated Text] In Voronezh a struggle has developed in earnest for the signatures of future voters. The local mass media have reported that signatures in favor of the parties of a democratic tendency cost from 500 rubles [R] ("Forward, Russia!") to R2,000 ("Russia Is Our Home"). Yabloko pays R1,000.

They endeavor to secure signatures not only for money, but also in exchange for rights that are laid down in the Constitution. The newspaper KOMMUNA has described cases where people have been compelled by force to sign in favor of Chernomyrdin's bloc in exchange for... an appointment to see a Social Protection Committee inspector.

Daily Rates Novosibirsk Deputies, Compares Candidates

954F3546A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 20 Sep 95 p 2

[Article by Vladimir Kuzmenkin: "'Our Man' in Moscow Was the Same in Novosibirsk"]

[FBIS Translated Text] [begin box] VECHERNIY NOVOSIBIRSK sums up the results of its Mandate No. 1 rating: The deputies were rated in the following categories: Work with voters; usefulness in solving city problems; development of socially significant laws; relations with administration; work of deputy's team; relations with the press; and average rating. The ratings were, respectively:

V. Lipitskiy—4.5, 4.1, 4.2, 4, 4.6, 5, 4.4

I. Anichkin—3.4, 2, 2.5, 3.4, 1.8, 3.1, 2.8

I. Starikov—2.4, 1.6, 2.5, 2.4, 1.6, 2.9, 2.2

V. Bokov—2.4, 1.6, 2.1, 2.9, 1.5, 1.9, 2.1

N. Kharitonov—2.4, 1.3, 2.1, 2.8, 1.1, 2, 1.9

Ye. Loginov—2.6, 0.4, 0.4, 0.7, 3.8, 3.3, 1.9 [end box]

Not very much time is left before the elections of the new deputy corps to the State Duma. Candidate deputies, or to be perfectly precise—candidate candidate deputies, are now engaged in gathering signatures and are concerned about finding funds and developing the technology of their election campaigns. This is now basically what the mass media are talking about. As for the current deputies, they are usually mentioned in connection with some scandal. And the work of the deputies themselves—the reason why they were actually sent to Moscow—almost always remains outside the picture. Therefore VECHERNYY NOVOSIBIRSK decided to compile the Mandate No. 1 deputy rating to see how the activity of our deputies is evaluated (already at the finish) by leaders and leading journalists of the Novosibirsk mass media and also the best-known political scientists. Of course, the voters will give the deputies their ratings on 17 December—for four out of six of them have already announced that they intend to run again in "their own" districts, but still the evaluations of journalists and scholars will be of considerable interest since they are the ones who have all the information.

It was suggested that the activity of the Novosibirsk deputies be evaluated on a five-point scale and for six categories: work with voters, usefulness in solving

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city problems, development of socially significant laws, relations with the administration, the work of the deputy's team, and relations with the press. Remember that I. Anichkin, V. Lipitskiy, I. Starikov, and N. Kharitonov were elected to parliament in the districts and Ye. Loginov and V. Bokov were on party lists.

The table before you contains a good deal that is interesting. In the first place, a clear leader has been revealed. Vasiliy Lipitskiy came out ahead of all of his colleagues in all categories. The Moscow politician turned out to be a better representative of Novosibirsk than our compatriots are. In the second place, let us note that with the exception of "our man in Moscow," nobody reached the "top three." Third, it was clear to see who engaged in "pure politics" and who did not forget about the concerns of the voters. Now let us take a closer look at each of the State Duma deputies.

The deputy from the Liberal Democratic Party, Yevgeniy Loginov, and Nikolay Kharitonov (Agrarian Party) brought up the rear in the ratings. Loginov fell down in usefulness, the development of laws, and relations with the administration, receiving unprecedentedly low ratings. But (and this is what it means to be the best political leader in the military district!) only Lipitskiy surpassed him in relations with the press—it would be difficult not to agree with this—and he put together an extremely intelligent team who worked very skillfully.

Nikolay Kharitonov is the big favorite in the Barabinskiy District, although he did not get high grades from the journalists. It should be noted that he has an extremely weak team and not very good relations with the press. Incidentally, this is a typical situation for the agrarians: They are not especially concerned about their image, assuming that they will garner a lot of votes solely on the basis that "they are still close to the land." Although these calculations are based on the idea that only the agrarians can solve the problems of rural areas, which, to put it mildly, does not exactly correspond to reality.

The fourth line was occupied by a deputy from the Communist Party, the pensioner Vladimir Bokov. After deciding to get out of politics, he almost reached the top three. Bokov, like Kharitonov, earned most of his points in the "practical" items, but again he ended up an outsider with respect to the work of his team and his relations with the press. An old-style communist, this might not have been especially necessary for him since he came to the Duma through the party and he intends to retire.

Third place went to the deputy from the Iskitimskiy district, Ivan Starikov. He had only one obvious failing—his team—which, to be sure, is compensated for by fairly good relations with the press. And in the practical part Starikov reached the average level, although, of course, his points could have been higher.

Undisputed second place went to Ivan Anichkin (Zavodskoy district). In the first four positions he fell behind only the leader—Vasiliy Lipitskiy. Anichkin works with the mass media, and therefore the voters know quite a bit about his contribution to the development of laws and his practical activity. Let us note, however, that the effectiveness of the work of the deputy's team was at a low level.

Finally, the winner of our Mandate No. 1 diploma goes to Vasiliy Lipitskiy (Zayeltsovskiy District). It is striking that Lipitskiy won everywhere possible. With the background of a politician who is constantly in the rating of the "100 leading politicians in Russia," many seem to be simply amateurs. Probably the difference is that Lipitskiy is a representative of the generation which, although it just recently entered politics, it came prepared, and it came professionally prepared. Lipitskiy understood better than anyone else what an intelligent team and the mass media mean today.

You have the result before you and it requires no special commentary....

One can obtain a fairly complete general idea about our deputies from the table. Although, as we see, they all had different methods, let us note that, in the opinion of analysts, the deputies of the State Duma of this convocation have a good chance of being re-elected.

During the course of our work VECHERNIY NOVOSIBIRSK held a competition of journalists for the best, as it were, prophesy of the results of our poll. The main prophet was our long-standing author Mikhail Sannikov (Channel 10, "Delovoy Mir" program) and prizes were also received by Aleksandr Rogoten (NOVOSIBIRSKIYE NOVOSTI) and Vladimir Larin (PANORAMA).

Election Guidelines

CEC Report Outlines Election Procedures for Servicemen

MM0210122995 Moscow KRASNAYA ZVEZDA in Russian 30 Sep 95 pp 1-2

[Report by Sergey Knyazkov: "Servicemen's Rights Guaranteed by Law"]

[FBIS Translated Text] Today KRASNAYA ZVEZDA opens a new rubric. Under this rubric, reports from the Russian Federation Central Electoral Commission

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[CEC] will be published to help our readers to keep up to date with its most important decisions on the eve of elections to the State Duma.

A recent CEC session adopted a document of great importance: It is the CEC decree "on explanations of the procedure for implementing servicemen's electoral rights in the period of preparing for and holding elections of deputies of the Russian Federation Federal Assembly State Duma of the second convocation." The importance of this document is borne out if only by the fact that a working group including representatives of the power departments has taken over four months to prepare it.

What are the main elements of the decree? It stresses once again (and this is evidently necessary in the light of the past few days) that servicemen have the right to be elected deputies. After the collection of voters' signatures and the submission of a personal written application to the district electoral commission, a serviceman — based on a report of his registration as a candidate deputy — is released from military service to take part in the election campaign from the day of registration to the day of the official publication of the overall election results.

Russian Federation legislation on the elections provides for the organization of servicemen's voting at the general polling places. But, the decree says that the formation of polling places directly in military units situated in isolated regions remote from population centers is permitted. At the same time information about the numerical strength and location of military units is not to be published. And their inclusion as a separate line in the Russian Federation "Vybory" state automated system database is not allowed.

After the session had ended, I asked CEC Chairman Nikolay Ryabov to comment on the servicemen's unprecedented activity in nominating candidate deputies from their ranks.

"First, it is proof of the democratic nature of our electoral system," Ryabov replied. "Second, it is proof of the democratization of our country. But at the same time, in my view the nomination of a large number of servicemen as candidate deputies speaks of the critical situation in the Armed Forces. In principle a rule-of-law state has other mechanisms for protecting the army and servicemen. But when these mechanisms either do not work or do not exist, people will do anything to protect the Army, and through it, protect their state and people from collapse and the reduction of combat readiness."

CEC Warns Against False Information in Election Documents

MM0310111395 Moscow ROSSIYSKAYA GAZETA in Russian 3 Oct 95 p 4

[Russian Federation Central Electoral Commission Statement dated 28 September]

[FBIS Translated Text] The Russian Federation Central Electoral Commission [CEC] is receiving communications from voters, enterprises, and organizations that electoral associations and electoral blocs are including in federal lists of candidates and lists of candidates running in single-seat electoral districts unreliable information about candidate deputies as published in the press and reflected in signature lists.

Electoral associations and electoral blocs will hardly choose deliberately to mislead voters. Most likely the said facts can be explained by lax organizational work on the part of public organizations when forming electoral blocs, compiling lists of candidates, and collecting necessary information relating to the persons to be included on the lists of candidates. As a result a careless attitude toward the collection of data leads to the violation of voters' rights to reliable information about the elections and of the principle of equality of rights for candidate deputies themselves and introduces confusion into the election campaign.

In connection with this, the CEC draws the attention of leaders and authorized representatives of electoral associations and electoral blocs to the inadmissibility of distorting information on candidate deputies and states that responsibility for the reliability of information contained on federal lists of candidates and lists of candidates running in single-seat electoral districts is borne by the electoral associations and electoral blocs and their leaders and authorized representatives who signed and submitted these lists.

We also reiterate that federal legislation prescribes liability under criminal and administrative law for the falsification or counterfeiting of election documents and the dissemination of false information about candidates. The CEC urges electoral blocs and electoral associations to comply unswervingly with election legislation and not allow violations of the electoral rights of citizens of the Russian Federation.

Forecasts & Commentary

Shakhray Pessimistic About Election Outcome

MM0210152895 Moscow ROSSIYSKIYE VESTI in Russian 29 Sep 95 p 2

[Report by Pavel Anokhin under the "1995 Elections" rubric: "Blocs Cannot Be Built on a 'Mire.'

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Sergey Shakhray, Russian Government Deputy Chairman, Stated This in a Conversation with Your ROSSIYSKIYE VESTI Correspondent at the Second PRES Congress Held Last Weekend"]

[FBIS Translated Text] In his report at the forum, the vice premier, who is also the leader of the Party of Russian Unity and Accord [PRES], called on all members of the Russian Government who are participating in the elections to resign and become directly involved in their election affairs. Equally sensational were his words to the effect that PRES is going into the elections in order to annul the elections to the State Duma on the basis of party lists by its first law and abolish the "Yabloko-Communist electoral law."

Many well-informed political scientists and journalists saw behind the vice premier's words a precursor of possible unexpected political schemes in the "Kremlin Court" connected with the upcoming elections at various levels. Against this backdrop, Sergey Shakhray's position, which has been outlined in the past few days, presents some interest. Our conversation began with a question about why, as one of the initiators of the creation of two centrist electoral blocs, the leader of PRES is today criticizing both his recent allies, as personified by the Chernomyrdin association, and the electoral system itself?

According to Sergey Shakhray, a special feature of the modern political situation in Russia is that the traditional "political mire" which usually emerges following elections already exists now. There was a hope that it would be structured by creating major centrist movements on the basis of the common ideology of a stable and strong Russia. As the PRES leader believes, neither Ivan Rybkin's bloc nor "Russia Is Our Home" have overcome the "mire," not being able to unify the centrists either in organizational or political terms and not having become a powerful counterbalance to political extremists and parties of political clowns.

"Nothing worthwhile has resulted from our multiparty system, which has now turned into a complete absurdity," Sergey Shakhray emphasized. "Around 300 parties and movements intend to take part in the election race. No one can tell them apart, because the blocs are not being created on the basis of programs and ideas, but on the principle of who is opposed to whom. Our election law is equally ridiculous — it is so 'amazingly' arranged that irrespective of the political alignment, victory will go to the associations of communist-agrarians or radical-patriots...."

If perhaps 30 associations out of the 300 successfully get through the first stages of the election campaign, they will all receive approximately the same number of votes — somewhere in the region of 3 percent, and will not get into the Duma. The three or four parties which will obtain over 5 percent of the Russians' votes have the possibility, according to our election law, of securing all 225 seats in the Duma.

Professional politicians should be able to predict the situation in the country, Sergey Shakhray believes, and observe the dangerous trends taking shape in politics and economics. "But at the moment these are such that unless they are dispersed on time," he believes, "17 December 1995 may be the turning point when all crises merge into one, generating a destructive reaction."

Speaking about the possible imminent prospects for Russian society following the elections to the State Duma, Sergey Shakhray outlined a fairly gloomy situation. The negative effects generated by failures and tactical errors in the formation of the centrist blocs can be perceived even now. The main ones have been the stepping up of political radicalism, the strengthening of the communists-agrarians, the splintering of the political spectrum, and the formation of a united front against the "party of power." As a result, the strategic tasks of the reformers, such as the stabilization of the political situation in society, the predictability of the results of the elections, a responsible State Duma, and a responsible government relying on a majority in the Duma, have today become practically unattainable.

The situation is exacerbated by the fact that the pre-election political fight is turning into a financial-economic fight, and in certain cases even an intersector or simply a mafia fight.

The effect of the "offended" deputy, who has been ignored by both "parties of power," is turning into an independent pre-election political phenomenon. Dozens of deputies were involved in the formation of the two centrist blocs, in which, after three months, they had not obtained a single seat. According to the PRES leader, this is enough to predetermine both a Duma refusal to adopt the 1996 budget and indeed a vote of no confidence in the Russian government at the beginning of October.

"The communists-agrarians and national patriots who will win the elections," Sergey Shakhray believes, "will immediately advocate a review of the powers of the representative branch in order to strengthen them. The legal and political validation of these aspirations will in fact launch a scenario of the division of property. This will first and foremost be a question of a new division of 'incorrectly privatized' state property. The fuel and energy complex, which today occupies a clearly dominant and specially favorable position in

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the structure of the Russian economy, will start being dispossessed."

Sergey Shakhray advises both the Russian president and the Russian Government to become aware as quickly as possible of the fact that we cannot react, like a fire brigade, just to what is happening and breaking out in individual places. We must operate actively today, anticipating events.

"In order to neutralize possible demarches by the State Duma," he stated, "and to avert future political conflicts, it is expedient to instruct all members of the Russian Federation Government who are participating in the elections to resign, take leave at their own expense, and get involved in their own election affairs. This will free them from complaints that they are exploiting their official position and government transportation and communications. If he is an honest person, every government member must make the following choice: Either he participates in elections and politics, but outside the government, or else he stays in the government, but has nothing to do with elections and politics. Everything must be done professionally, legitimately, and calmly."

In order to avoid paralyzing the executive, he proposes that an official supra-party government of administrators be created for the period of the elections.

"When do you personally intend to set the example?" your ROSSIYSKIYE VESTI correspondent wondered. "You will be the first to know," came the answer.

During the conversation, the subject of the political rumors which surround the person of Sergey Shakhray was not avoided. The dialogue went roughly as follows:

[Anokhin] They say that you personally had some serious differences with Viktor Chernomyrdin. And your stance is a well thought-out resolute step, which will make it possible for you to either win the round in the fight or else leave without losing face.

[Shakhray] I did not expect to be given such a high assessment, particularly in respect of calculating my moves. I do calculate a great deal, but not everything and not so carefully. It is true that Viktor Stepanovich and I occupy many absolutely different and even contrary positions in our attitude to solving problems, but we also have many common positions. In my opinion there can be no question of a conflict, although I was well aware of the consequences of leaving "Russia Is Our Home."

[Anokhin] How do you view the rumors to the effect that a place has already been prepared for you in the formation of the new composition of the Federation Council? As the Russian president stated, there will be four or five representatives of federal power in the upper chamber of the parliament. The contestants, apart from you, are being named as Vladimir Shumeyko, Ramazan Adbulatipov, Valeryan Viktorov, Vyacheslav Mikhaylov...

[Shakhray] Sergey Shakhray will definitely not be there — categories such as gratitude or foresight are absent in our authorities. I also doubt that the Federation Council will undergo cadre changes in the near future. The Russian president's edict dated 17 September in fact creates the preconditions for extending the powers of the Federation Council, and it will meet as though nothing had happened. This is also a trend. The Moscow Oblast Duma has already extended its own term of office by two years. The Moscow and St. Petersburg city dumas will extend theirs in the near future...

Solovyeva in Custody for Financial Scheming, 'Tax Dodging'

LD0210121695 Moscow INTERFAX in English 1056 GMT 2 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 2 (INTERFAX) — Most of the signatures supporting the registration of Valentina Solovyeva, head of the Vlastilina firm, as candidate to the State Duma were collected by servicemen of several military units stationed in the Moscow region, a source at the Russian law-enforcement department told INTERFAX Monday.

Solovyeva is in custody in the Kapotnya investigation ward on charges of financial machinations and tax dodging.

According to the source, the preventive punishment for Solovyeva will not be changed even if the district electoral commission decides to register her as a candidate for Duma deputy.

Sources at the district electoral commission told INTERFAX that the five-day period given by law to the commission to decide on Solovyeva's registration as candidate to the Duma will expire by Monday evening.

An authorized representative of Solovyeva brought lists with over 5,000 signatures in support of Solovyeva to the electoral commission of the 112th electoral district in Podolsk, the Moscow region, on September 27, which corresponds to the law on elections.

According to the commission's member, the district electoral commission is verifying the lists submitted by Solovyeva's representative. "There are major violations of the election law on some of the lists: corrections were made and information from the signatories' passports is missing," sources at the district electoral commission told INTERFAX.

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Kozyrev Opens CIS Foreign Ministers Council Meeting

LD0310084795 Moscow Radio Rossii Network in Russian 0800 GMT 3 Oct 95

[FBIS Translated Text] Russia welcomes the integration processes taking place within the CIS framework and is ready to take this direction as far and along the same paths as our partners are ready to. INTERFAX reports that Andrey Kozyrev said this today speaking at the opening in Moscow of a session of the Foreign Ministers Council of the CIS countries.

The meeting is discussing the problem of strengthening the CIS as an international regional organization. Issues of cooperation with a number of international organizations are to be discussed. Problems of a military-political nature have been given an important position on the agenda. The discussion will deal in particular with collective peacekeeping forces on the territory of the CIS, a draft concept of collective peacekeeping activity and cooperation in border protection.

Briefs Ministers on Yeltsin Edict

LD0310093995 Moscow ITAR-TASS World Service in Russian 0840 GMT 3 Oct 95

[By ITAR-TASS diplomatic correspondent Petr Vlasov]

[FBIS Translated Text] Moscow, 3 Oct (ITAR-TASS) — Peacekeeping activity in the CIS and cooperation in the international arena are the main themes of a CIS Foreign Ministers Council session which opened in Moscow today. In an address to its participants Russian Foreign Minister Andrey Kozyrev welcomed the integration processes in the countries of the former USSR. He said Russia was ready to go as far and along the same paths to support these processes as its partners were ready to.

The Russian minister touched upon Boris Yeltsin's September edict "The Strategic Course of Russia and the Participant States of the CIS." Kozyrev described it as an internal document which defined the tasks of the Russian authorities on all levels in the sphere of developing cooperation with the CIS states. He stressed that the president's edict had been based on a memorandum of the heads of state on the main guidelines for the development of integration in the Commonwealth that had been adopted in October 1994, and that the edict was fully in keeping with its letter and spirit.

ITAR-TASS Carries Press Review for 3 Oct

LD0310063295 Moscow ITAR-TASS in English 0549 GMT 3 Oct 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, October 3 (Itar-Tass) — It is the 100th anniversary of Sergey Yesenin's birth, Russia's famous poet. The Russian press widely comments on the most important landmarks in the life of the celebrated poet.

Another notorious date highlighted today if the " Black October" of 1993. In this connection, "KOMSOMOLSKAYA PRAVDA" published results of a sociological poll conducted among residents of Moscow and Ryazan. A total of 45 per cent of respondents said that the tragedy which occurred in Russia two years ago was a results of mistakes committed by both sides, while 24 per cent of respondents described the 1993 October developments as an act of ousting a legitimately elected parliament and establishing an authoritarian rule in the country, "KOMSOMOLSKAYA PRAVDA" said.

"TRUD" writes that "the 1993 October developments shook both Russia and the world, vividly showing our absolute unpreparedness to live under conditions of democracy. Decades of totalitarian rule have left an unforgettable impact. Looking back upon the October tragedy, we are concerned about the future, feeling that we are not insured against the repetition of the October tragedy, "TRUD" said.

"IZVESTIYA" writes in its article entitled " The October Drama" that the assessments of the tragedy made by the society differ until now. A recent verdict passed by the Russian general prosecutor's office seems to have satisfied no one by its detached approach." "The result - the fact that a big civil war and the return of the Soviet communist system were averted, cannot shield another result of the October tragedy: over 100 peaceful civilians were killed during those days in the streets of Moscow," Izvestia said. In another article the newspaper carries a commentary devoted to the relationship between the President and the Prime Minister. " It has become apparent that long before parliamentary elections will be held, other elections might take place to elect Prime Minister." The newspaper says that "a possible resignation of Prime Minister Viktor Chernomyrdin might put the future of President Yeltsin in jeopardy."

"ROSSIYSKAYA GAZETA" carries an article by a judge from Yekaterinburg, entitled " "the Themis will not stay on the church-porch for a long time." The author described a desperate position of honest people who restore justice in court and who are concerned about one thing only — how they should survive being paid

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by a state, rather from a wallet of a rich criminal." In another article the newspaper carries an interview with a secretary of the Central Electoral commission, Aleksandr Veshnyakov, who outlines terms for the beginning of a canvassing campaign in Russia.

The "RED STAR" [KRASNAYA ZVEZDA] daily carries an article on the problem of drafting people into the army in the fall. "Will the crisis of the shortage of army personnel be overcome and will normal conditions for the troops' activity be created," the newspaper wonders.

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Bosnia's Silajdzic Pays 'Unexpected' Visit to Moscow

Moscow To Resume Gas Supplies

LD0210201695 Moscow Radio Rossii Network in Russian 1900 GMT 2 Oct 95

[FBIS Translated Text] This afternoon Haris Silajdzic, prime minister of Bosnia's Muslim government, arrived in Moscow. This visit was not prepared in advance and it was an especially unexpected one since Yugoslavia does not regard Moscow as a protector of the Muslims. Our correspondent Regina Lukashina reports on the results of the Chernomyrdin-Silajdzic meeting.

[Lukashina] The Bosnian side was the initiator of the meeting held in the Russian Government House. Preliminarily its main topics were to be an exchange of opinions regarding prospects for a Bosnian settlement, preparations for a meeting of the foreign ministers of the Contact Group — which includes Russia, the USA, Great Britain, France and Germany — in Moscow scheduled for 13-15 October, and the resumption of Russian natural gas deliveries to Sarajevo. On the eve of winter cold weather the problem of supplying power to the capital has become very topical.

The pipeline that crosses Bosnia-Herzegovina was closed a month ago, immediately after the beginning of the NATO air strikes. Nevertheless, the conflicting sides succeeded in coming to an agreement on raising the blockade of the gas pipeline, but the issue of the debts of the Muslims, Bosnian Serbs, and Yugoslavia for Russian gas emerged. According to some estimates, it amounts to $100 million.

Haris Silajdzic for the Bosnian side and Viktor Chernomyrdin for the Russian side and other officials had a conversation behind closed doors for about two hours. Opening the conversation, Viktor Chernomyrdin stated that the circumstances had changed since the previous meeting and the situation was controllable now.

After the talks Igor Ivanov, Russian deputy foreign minister, told journalists that the very fact of Silajdzic's visit to Moscow testifies to the great role Russia plays in working towards a peaceful settlement. Now we are starting to think about the post-crisis development of this region and prospects for trade and economic cooperation.

Viktor Chernomyrdin confirmed that gas supplies to Bosnia would be resumed in the very near future and the issue of debt was being discussed at expert level. This is also stated in a letter which is being sent to the Contact Group. The Russian diplomat said that it was necessary to do everything not to leave Yugoslavia without heat on the eve of the winter period.

According to Igor Ivanov, the meeting of the Contact Group planned to be held in Rome on 6 October will continue to tackle issues relating to a peaceful settlement. After this, the Contact Group will again convene in Moscow within the framework of the preparations for a peace conference of all the parties concerned.

Talks Touch on B-H Economic Revival

LD0310123795 Moscow ITAR-TASS World Service in Russian 1121 GMT 3 Oct 95

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[FBIS Translated Text] Moscow, 3 Oct (ITAR-TASS) — Recognition of the equality of interests of the sides in the Bosnian conflict plays a decisive part in achieving a just settlement of the Yugoslav crisis. Any accords imposed by force would be in the nature of diktat and turn out to be short-term. The ITAR-TASS correspondent was told this today by Russian Foreign Minister Andrey Kozyrev upon completion of his meeting with Haris Siladzic, chairman of the Government of Bosnia-Herzegovina.

The head of Russian diplomacy announced Moscow's readiness to undertake in the next few days a number of energetic steps for the earliest reaching of an agreement on a cease-fire. He said Russia's position on the resolution of the Yugoslav problem is based on a balanced, impartial consideration of the interests of all ethnic communities and peoples populating the territory of Bosnia-Herzegovina, and also Yugoslavia as a whole. He voiced satisfaction that the Bosnian prime minister shares the view concerning the need for ensuring the equitable participation of the sides in a post-crisis settlement, including on questions of the territorial division and constitutional organization of the republic.

One of the central themes of the conversation, Andrey Kozyrev said, was discussion of the prospects for the economic revival of Bosnia-Herzegovina. He reaffirmed that the lifting of sanctions on Belgrade remains the chief task of Russian diplomacy. That is the only way, the minister stressed, that the FRY can be brought into the process of restoration of the economy ruined by war on the whole territory of former Yugoslavia and be granted international aid on the basis of equal rights with other Yugoslav republics.

During the talks, as the ITAR-TASS correspondent learned from informed sources, there was also discussion of questions of Russia's practical participation in the restoration of the Bosnian economy both on a bilateral basis and in the framework of international projects.

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The financing of these projects will be undertaken by an international foundation now being set up and which is devising a kind of "Marshall Plan" for former Yugoslavia. It is planned to hold a special Russian-Bosnian meeting of experts to examine this set of problems. In addition, in the near future Russia is to open a diplomatic mission in Sarajevo in accordance with a bilateral accord reached in February this year. The relevant documents have already been sent for approval by the head of government of the Russian Federation.

Silajdzic Praises 'Mutual Understanding'

LD0210195395 Moscow ITAR-TASS in English 1927 GMT 2 Oct 95

[By Prokhor Malyutin]

[FBIS Transcribed Text] MOSCOW, October 2 (Itar-Tass) — Russian deputy Foreign Minister Igor Ivanov said that during Monday's meeting of Russian and Bosnian prime ministers Viktor Chernomyrdin and Haris Silajdzic, it was agreed that gas supplies to Sarajevo will be resumed.

Chernomyrdin confirmed Russia's readiness to look for ways of peaceful settlement of the situation in Bosnia and the former Yugoslavia.

According to Ivanov, this step signals Russia's "determination to make a concrete contribution to achieving a peaceful settlement" of the crisis. Russia is ready to pursue "the same constructive policy" in the framework of the International Contact Group on Bosnia, the diplomat stressed.

Silajdzic told reporters that the atmosphere of the meeting was that "of complete mutual understanding and commitment to find the most efficient ways to solve the crisis" in the Balkans.

On Tuesday, Silajdzic will meet Russian Foreign Minister Andrey Kozyrev.

Daily: NATO Expansion Has 'Anti-Russian Features'

MM0310091495 Moscow PRAVDA in Russian 3 Oct 95 p 3

[Article by Vladimir Peresada: "Conspicuous Anti-Russian Features"]

[FBIS Translated Text] Brussels, 2 Oct — "We have said many times that all of this is not directed against Russia" — with this sentence NATO Secretary General W. Claes summed up for journalists the Russian aspect of the upcoming expansion of the North Atlantic Alliance to include the East European and Baltic countries.

Frankly, the NATO leader's assurance had an unconvincing look about it. You only had to familiarize yourself with the document to which Claes' news conference was devoted to realize that that despite all the soothing statements this document, titled "A Study of the Question of NATO Enlargement," essentially draws a new dividing line in Europe. Admittedly, judging by everything it says, Russia is not being formally isolated (as yet). On the contrary, NATO envisages developing relations with it. But these relations are incompatible with those which will be established within the alliance framework with a whole group of states which are being transformed into full NATO members and, furthermore, could change in accordance with how the West assesses Russia politically. In strategic terms, however, regardless of all factors — internal or external — Russia will be faced with an unequivocal situation: NATO's zone of responsibility, including military responsibility, will shift toward the territory of our country with all the ensuing consequences for its security.

The "study" was officially presented last week to representatives of all countries which have partnership relations or maintain cooperation with NATO, including Russia. We will describe this document in detail in a few days' time, but right now we would like to draw attention to two questions linked most closely to the problem of Russia's security. First: Will NATO troops be stationed on the territory of the alliance's new member states? And second: Will nuclear weapons be stationed there?

To both questions the document, which envisages the involvement of the new members in the entire system of collective security, gives a pretty clear, although occasionally veiled, answer: It is not mandatory right now but could be possible at any time.

"All allies," the document states in relation to NATO troops, "should be unconditionally prepared for the fact that in a time of crisis or war they must allow the forces of other allies to enter their territory and conduct operations there...."

And here is another passage: "There is no a priori requirement for the stationing of nuclear weapons on the territory of the new members. Taking account of the current international situation and potential threats, the current readiness of the NATO nuclear forces will continue for the foreseeable future to meet the requirements of the enlarged alliance. There is thus no need to alter or modify any aspect of the status of NATO's nuclear forces or policy, but the impact on them of the enlargement of the alliance in the longer term should continue to be evaluated."

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Who if not Russia is today regarded as a source of crisis situations and seen as a serious "risk" in the event of its abandonment of its current pro-Western course? Who if not Russia has a nuclear potential comparable with NATO's, and who else, judging by current assessments, could pose a "potential threat" to the countries of the alliance, including the new members?

And this being the case, it is clear that the arguments about NATO enlargement meeting the objectives of European security have conspicuous anti-Russian features.

Military Plans Nuclear Counter to NATO Enlargement

MS0210090795 London THE TIMES in English 30 Sep 95 p 14

[Report by Richard Beeston: "Russia 'Has a Nuclear Answer to Wider NATO'"]

[FBIS Transcribed Text] Moscow — The Russian military has reportedly drawn up a contingency plan to create a defensive alliance against Nato and to redeploy its forces, including nuclear weapons, along its western border in the event of the organisation's eastward expansion.

In the first concrete sign that a new Cold War fault line could be established through the heart of Eastern Europe, reports in Moscow said that military chiefs were working on a counter-move to Nato's planned enlargement into states that were formerly in the Warsaw Pact.

A spokeswoman for the Russian Foreign Intelligence Service (SVR) said that it would closely monitor all practical steps linked to Nato's expansion. "The SVR sees a threat to national security in Nato's advance eastwards," Tatyana Samolis said.

A senior Defence Ministry official said yesterday: "Nato's announcement about plans to create new members once again proved the alliance's leadership ignores Russia's proposals when it comes to decision-making. Moscow is capable of reciprocal steps."

The official did not spell out how the Kremlin planned to respond to the alliance, which revealed in a policy document this week that it reserved the right to station Nato troops and tactical nuclear weapons on the territory of future members, such as Poland, Hungary and the Czech Republic.

However, according to a detailed article in yesterday's KOMSOMOLSKAYA PRAVDA, the Russian General Staff has drafted a counter-proposal calling for a new military doctrine to meet the perceived threat from Nato. Among other recommendations, the document suggests that Russia "amend" its arms control commitments and strengthen its conventional and nuclear forces in the North Caucasus and Leningrad military districts. It also recommends that tactical nuclear missiles be redeployed in Belarus, the Russian-controlled enclave of Kaliningrad, and on warships of the Russian Baltic Fleet, Crimea and the Caucasus. The generals apparently favoured a heavy reliance on nuclear deterence, because they accepted that Russia could not match Nato's conventional forces.

For the first time since the collapse of the Soviet Union four years ago, the move threatens to create a new "iron curtain" that could run from the Baltic to the Black Sea.

Apparently the document acknowledges that Moscow is in no position to prevent Poland or other Eastern European nations joining Nato. However, it suggests that an integrated military alliance be established among the members of the Commonwealth of Independent States, particularly the pro-Moscow Government in Belarus.

More disturbingly, it recommends that if the Baltic republics join Nato, Russia should instantly move forces into Lithuania, Estonia and Latvia. Any attempt to obstruct the Russian action by Nato would be regarded as a prelude to nuclear war.

The threatening tone of the document was intended by the hardline military leadership to fill what they perceived as a lack of leadership by the Kremlin and the Foreign Ministry, which has been accused of failing to create a credible security arrangement to counter Nato.

According to the newspaper, the draft document has been tentatively approved by General Pavel Grachev, the Defence Minister, and Andrey Kokoshin, his deputy. It is not clear what President Yeltsin's response to the proposals has been, but there is some speculation that the document was deliberately leaked to the press in order to strengthen the Russian leader's negotiating position when he meets President Clinton next month in New York to discuss European security issues.

Nato has stated that its alliance would remain purely defensive, but Vitaliy Churkin, the Russian Ambassador in Brussels, said that this did not ease Moscow's objections.

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New Defense Doctrine Would Stem NATO Expansion

MM0210085995 Moscow KOMSOMOLSKAYA PRAVDA in Russian 29 Sep-6 Oct 95 p 2

[Report by Aleksandr Lyasko: "Doctrine Is New, But Looks Old"]

[FBIS Translated Text] I learned from reliable sources that some time ago the General Staff completed their formulation of a version of the basic principles of Russia's new defense doctrine.

The first element is a demand for amendments to the CFE Treaty on the so-called flank quotas. The changes boil down to the idea that Russia should be allowed to have as many heavy arms as it considers necessary for its defense in the arsenal of the North Caucasus and Leningrad Military Districts. Hitherto the arms ceilings have been laid down by the 1990 Treaty, which the participating countries signed back in the time of the USSR and the Warsaw Pact. With the collapse of both structures Russia is refusing to accommodate the Turkish and Norwegian restriction demands.

Another detail of the new defense strategy is Russia's stance with regard to NATO's eastward expansion. The Defense Ministry believes that the president was slightly overdoing it when he spoke of a CIS military alliance in response to the East European states' admission to NATO. The president's idea that Uzbekistan and Kyrgyzstan will help us in a confrontation with NATO cannot be attributed to anything but emotion. Especially since there is no point in counting on Ukraine's involvement in a new military alliance. Belarus is another matter. People on Arbatskaya Ploshchad [Defense Ministry] see the deployment of tactical nuclear weapons on Belarusian territory (as well as in Kaliningrad Oblast and on Baltic Fleet ships) as a key element in military cooperation with that republic.

According to our interlocutor at the General Staff, this is the only means that we have at our disposal of curbing NATO expansion. The country just does not have the money to maintain the army that we had 10 years ago. That is why national strategists consider it necessary to eliminate the enemy's edge everywhere: the western theater of operations (the Polish border and Baltic waters) along with the northern theater (the border with Norway and the Barents Sea) and the southern theater (the Black Sea and Russia's bases in Crimea, Abkhazia, Georgia, and Armenia). Tactical nuclear weapons will be deployed everywhere.

The military department's next sensational idea involves dramatic action in connection with NATO expansion. As regards Poland and the other countries of East Europe, Russia is currently unable to stop this process by force. However, the plan presupposes that if NATO agrees to admit the Baltic republics, Russian Federation Armed Forces will immediately be moved into Estonia, Latvia, and Lithuania. Any attempt by NATO to stop this will be viewed by Russia as the prelude to a world nuclear catastrophe.

The draft new military doctrine casts doubt on the international system for monitoring the nonproliferation of mass-destruction weapons. Russia will decide the question of sales of military missile technologies to India, Iraq, Iran, and Algeria on certain conditions. A direct military alliance with Iran is not ruled out.

According to the high-ranking General Staff officer, the preliminary outlines of the defense doctrine formulated by General Grachev's department have been cautiously approved by the minister himself and his first deputy and constitute the military's response to the lack of any consistent policy in the activity of the Foreign Ministry and presidential structures on questions of military security. According to some of Grachev's statements following his talks with Yeltsin in Sochi, the Army is ready to begin erecting a nuclear shield over the besieged fortress, which is how it sees Russia.

It is of course quite possible that the actual draft or, to be more precise, its publication is just a means of putting pressure on the West: Do not toy with Russia or it will return to the pre- perestroyka positions, start to bristle, and instead of a civilized partner will be forced to become the former bogeyman for Western democracy, a friend of dark Islamist forces, and a spawning ground for Zhirinovskiy and others. Regrettably, this is no empty threat, given the fact that the authors of the draft by no means lack allies in the Duma and within the Kremlin Wall.

Moscow To Proceed With Nuclear Deal With Iran

LD0210121295 Moscow ITAR-TASS in English 1124 GMT 2 Oct 95

[By Veronika Romanenkova]

[FBIS Transcribed Text] MOSCOW October 2 (Itar-Tass) — Unlike China, Russia will go ahead with its reactor deal with Iran, according to the director of a Russian organisation dealing with the construction of nuclear power facilities abroad. China is known to have cancelled a similar deal with Iran last week.

"Russia's accords with all partners, with Iran and China, in particular, on the delivery of light-water VVER nuclear reactors remain in effect", Zarubezhstrojproject Director Eduard Akopyan told Itar-Tass on Monday.

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Akopyan said a contract for the construction of a nuclear power station at Bushehr, Iran, takes effect this month. Meanwhile negotiations with China are also under way, and contracts are being drawn up.

Under the contract, which was signed in January this year, Russia is to deliver one VVER-1000 reactor to Iran. The construction of the first generating unit of the nuclear power station will take 55 months. The Russian side also hopes that the 1993 contract, under which another two plants with VVER-440 reactors were due to be built, will be renewed soon.

Russia is expected to help China to build a nuclear power station in Liaoning province where two nuclear reactors are to be supplied. If contract terms are agreed upon, Russia is prepared to start building work next year, Akopyan said.

The above-mentioned accords will be implemented under intergovernmental agreements. "Non-use of nuclear technologies for military purposes as well as the application of IAEA safeguards are an indispensable conditions for their realisation", Akopyan pointed out.

U.S. Dual-Use Nuclear Technology Said Helping Iran

MM0310091795 Moscow KOMSOMOLSKAYA PRAVDA in Russian 3 Oct 95 p 7

[Report by Dmitriy Kulik under the "Nuclear News" rubric: "Iranian Bombs Have a U.S. Filling...."]

[FBIS Translated Text] Damascus — Who is helping Tehran create a nuclear potential? Washington is sure that Moscow is in the lead in this issue — after it decided to help Iran to build a nuclear reactor. The Kremlin, emphasizing the peaceful nature of its plans, is now having to withstand unprecedented pressure from the White House. Moreover, Israel has come to the "aid" of the United States. As is known, Prime Minister Yitzhaq Rabin brought this problem to the fore during his visit to Moscow.

Behind its noisy campaign against the Russian-Iranian deal Washington has quite skillfully drawn a veil over facts which attest that precisely it, and not Moscow, had a hand in creating the military part of Iran's nuclear program, and not only Iran's....

It has come to light that between 1988 and 1992 the U.S. Administration issued 366 licenses for the export to Iran of so-called "dual-purpose" technologies in the sum of $218.1 million. Put more simply, this "commodity" can be used both in industry and to create the peaceful or military atom. Five licenses undoubtedly permitted the export of technologies exclusively for nuclear programs. Two of them were granted to suppliers to the Department of physics at Tehran's Sharif University, which, in the opinion of a number of special services, plays the main role in creating the country's nuclear potential.

By announcing the introduction of an embargo against Iran as of 30 April, Clinton not only wanted to undermine that country's economic might but was also trying to use that step to appear before future voters as a "zealous fighter for U.S. interests." But "the Moor had done his duty," and there is no getting away from the fact that between 1988 and 1992 Washington approved 24,048 (!) licenses for the export of "dual-use" technologies to very diverse countries. The sum of the deals amounted to $17.3 billion.

Brazil is in first place among the main buyers of output that can also be used in the nuclear industry. The second "honorary" place is occupied by the chief "fighter against the nuclear threat" in the Near East — Israel, which has bought technologies valued at $2.7 billion. According to the data of the Senate Governmental Affairs Committee, 880 licenses were issued to companies connected with the production of nuclear weapons. The Americans themselves were dismayed at the fact that many computers supplied to Israel are more powerful than those that are used in the United States itself in the further development of nuclear weapons....

Daily Doubts PRC Sale of Nuclear Technology to Iran

MM0310094295 Moscow KOMSOMOLSKAYA PRAVDA in Russian 3 Oct 95 p 7

[Report by Andrey Kabannikov under the "Nuclear News" rubric: "...And Chinese Raisins"]

[FBIS Translated Text] Beijing — After Russia, China has been accused of aiding and abetting Iranian nuclear scientists. The British newspaper THE SUNDAY TELEGRAPH recently cited some secret report claiming that, after Russia abandoned, under U.S. pressure, its plans to deliver to Iran a plant to enrich uranium, Tehran bought an alternative technology from China and is now ready, should it so wish, to produce its own atom bomb.

"This is hard to believe," a Russian nuclear expert commented on the report. "Of the three methods known to science for enriching uranium, China possesses the oldest and least efficient one — the diffusion method. Moreover, China is in dire need of fuel for its nuclear electric power stations. Therefore the Chinese themselves have bought new technology from Russia. We are building a modern gas centrifuge for them in Shanxi Province. Incidentally, it is precisely such a centrifuge as was deemed a 'military component' and so

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was excluded from the contract with Iran. Although it will be used under IAEA [International Atomic Energy Agency] control to make 4 percent uranium, which is suitable only for power generation. The gas centrifuge plant is still under construction, and our partners have not mastered the technology — what, then, can they have sold to Iran?"

The report of a deal has also been officially denied by the PRC Ministry of Foreign Affairs. Nevertheless, the West continues to believe that the Chinese specialists who went to the nuclear center located 160 km northeast of Tehran are carrying out work which is bringing Iran closer to the point of joining the nuclear club. This question was raised in New York by U.S. Secretary of State Christopher, who met with his PRC colleague, Qian Qichen, within the framework of the UN Assembly. The Chinese minister repeated once again that no secret deals exist between China and Iran. Moreover, demonstrating goodwill, Beijing announced that it is abandoning the deliveries of two low-power nuclear reactors to Iran, which had already been agreed.

Foreign Ministry Regrets Latest French Nuclear Test

LD0210151295 Moscow ITAR-TASS in English 1456 GMT 2 Oct 95

[FBIS Transcribed Text] MOSCOW, October 2 (Itar-Tass) — The Russian Foreign Ministry has expressed "deep regret" in connection with the latest nuclear test explosion carried out by France in the South Pacific.

"Such actions cannot facilitate the strengthening of non-proliferation of weapons of mass destruction and the creation of a favourable atmosphere in which to finalise work on a comprehensive nuclear test ban treaty, but they add further complications to the international situation," the Ministry said in a statement issued on Monday.

Test Information Said Passed to U.S., UK

LD0210170295 Moscow INTERFAX in English 1537 GMT 2 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 2 (Interfax) — The Russian atomic energy ministry has expressed concern at media reports saying France has been passing information on the results of its nuclear tests on Muroroa Atoll to the United States and Britain. Senior ministry spokesman Georgiy Kaurov told Interfax that reports of a secret deal to this end between France, the US and Britain emerged a few days ago.

He said ministry experts were closely following the latest developments. The spokesman said the ministry was particularly concerned that French nuclear testings may be aimed at developing new nuclear warheads which could later be targeted at Russia.

Kaurov said all of this could hardly help towards greater understanding and confidence building between "our countries." He said although Russia was in need of conducting its own nuclear tests, "we show understanding of the view of world public opposing nuclear tests and have not carried out any nuclear explosions for quite some time."

Military Delegation Visits Belgrade After Bosnia

LD0310104595 Moscow ITAR-TASS in English 1012 GMT 3 Oct 95

[By Ivan Ivanov]

[FBIS Transcribed Text] BELGRADE, October 3 (Itar-Tass) — A high-ranking Russian military delegation, led by First Deputy Chief of the Russian General Staff Vladimir Zhurbenko, returned to Belgrade from the Bosnia Serb Republic on Monday [2 October]. It has spent three days studying the military-political situation in the hostilities zone and the consequences of NATO air raids on Serb military targets and civilian facilities. Zhurbenko had talks with Radovan Karadzic, President of the Serb Republic and Ratko Mladic, Commander of the Serb Armed Forces.

A communique released by the Information Service of the Serb Army Staff says that the Russian delegation had visited military hospitals and familiarised itself with the work of local enterprises in conditions of a many-years-long international blockade, with the organisation of Serb defences against the Croatian and Moslem aggression. The document stresses that the visit of the Russian military delegation is fresh proof of the friendship existing between the Serb and Russian peoples, "a step towards new and more fruitful cooperation".

After the last round of talks with Ratko Mladic, which took place on Monday morning, Colonel-General Zhurbenko expressed satisfaction with the results of his trip to the Serb Republic. He said that the information gleaned during the visit would be included in the detailed report on the lot of the Bosnia Serbs, which will be submitted to the Russian top military and political leadership.

The Serb Commander noted, in turn, the great tragedy of the Bosnia Serbs, who are being attacked by troops of the Moslem-Croatian Federation, regular Croat army units, and NATO forces. According to Mladic, the enemy has used everything against the Bosnia Serbs except nuclear weapons and submarines, but, in spite

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of this, the Serbs are set on stubbornly defending their historical lands in Bosnia.

On Tuesday and Wednesday the Russian military delegation is expected to visit the Sremska-Barania Region of the Serb Krajina, where the Russian "blue helmets" are deployed.

Rybkin: Anti-Yugoslav Sanctions Cost $50 Billion

MM0210134295 Moscow KRASNAYA ZVEZDA in Russian 30 Sep 95 p 2

[Report by BIZNES-TASS correspondent Robert Serebrennikov: "We Have Lost $50 Billion"]

[FBIS Translated Text] Moscow, 29 Sep — The total trade and economic losses to the countries whose relations with the Federal Republic of Yugoslavia were broken off as a result of sanctions has reached $200 billion. One quarter of these losses are Russia's. This was reported by State Duma Speaker Ivan Rybkin at a press conference on the results of the trip to the Federal Republic of Yugoslavia by the parliamentary delegation he headed.

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Political Issues

Yeltsin, Chernomyrdin Hold 'Working Meeting'

LD0310105895 Moscow ITAR-TASS World Service in Russian 1011 GMT 3 Oct 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 3 Oct (ITAR-TASS) — A working meeting between President Boris Yeltsin and Prime Minister Viktor Chernomyrdin began around 1300 at "Zavidovo", Yeltsin's country residence. An ITAR-TASS correspondent learned from well-informed sources in the Russian Government that Chernomyrdin was planning to inform Yeltsin about the results of his trip to South Korea, the course of preparations for the parliamentary elections, and a broad range of questions relating to the country's economic and political life. It is not excluded that the conversation will touch upon the course of restoring the Chechen economy and the peace process settlement in Chechnya.

According to information that the ITAR-TASS correspondent acquired from informed sources in Yeltsin's administration, Yeltsin began his work day today at 0700 in the Kremlin by familiarizing himself with documents. A series of meetings are planned for the afternoon at the president's country residence.

Analysts Forecast Yeltsin Strategy on No-Confidence Vote

LD0310103295 Moscow ITAR-TASS in English 0844 GMT 3 Oct 95

[By Tamara Zamyatina]

[FBIS Transcribed Text] MOSCOW, October 3 (ITAR-TASS) — One of the first decisions of the Russian State Duma, which will resume its work after a recess on October 4, may be to hold a non-confidence vote against the government. The opposition makes no bones of their plans to table such a motion. Presidential and government experts, as well as members of the Headquarters of the "Our Home is Russia" movement, who were lately interviewed by ITAR-TASS, do not rule out such a turn of events.

Local analysts are trying to answer the following questions: will the president accept the government's resignation? Will he sacrifice Viktor Chernomyrdin by elevating Oleg Soskovets, or, possibily, Yuriy Skokov to the rank of premier or acting premier? Presidential Aide Aleksandr Livshits, Head of the Russian Government's Information Department Sergey Kolesnikov, and also ex-Vice Premier Aleksandr Shokhin have all independently arrived at the conclusion that it is not to Yeltsin's advantage to agree to the resignation of the government and the premier on the eve of the elections to the State Duma. Why? In this case the president will voluntarily fling the State Duma door wide open to representatives of the opposition, who will be inspired by the cabinet's resignation to accomplish an elections feat.

Does Yeltsin need this on the eve of the presidential elections? The answer is quite clear.

On the other hand, forecasting the events during the September 8 press conference, the Head of State showed full awareness of the fact that the opposition, including communists, agrarians, and movements of dubious patriotic hue, may jointly make a bid for the majority in the State Duma. In this case the Lower House will begin to "pressure" the president to make him appoint a premier sharing the views of the parliamentary majority. And since Yeltsin is not in the habit of relinquishing the initiative, he may forestall the events by offering the State Duma a new acceptable candidature to the post of prime minister yet before the elections.

Yeltsin has very limited possibilities for manoeuvring, because, according to the Constitution, he has no right to disband the State Duma "during the six months before the expiration of his term". This period begins right after the elections to the State Duma — from January to June 1996.

In light of this restriction, it is quite likely that the president will choose the strategy of dragging out the political crisis. After the non-confidence vote he may refuse to accept the government's resignation, or will accept it, but, in keeping with the Constitution, will ask it to continue its work until a new cabinet is formed. The government will continue to implement the adopted economic policy, assuming all the criticism for it. The president may also offer Chernomyrdin's candidature to the post of premier, but the State Duma will obviously turn it down. In both cases the president will remain master of the situation. However, the Head of State must also have some reserve versions.

For instance, there are some rumours about Skokov. The latter told ITAR-TASS that he had "no talk lately with the president about his promotion to the post of prime minister". Moreover, Skokov stressed: "I am not interested in this post at present". As to further prospects, the leader of the Congress of Russian Communities said that "we had earlier agreed with the president on a definite line of behaviour and style of mutual relations".

The nomination of a new premier is also not ruled out, because Chernomyrdin may decide to get rid of the "suspended condition", which the State Duma is preparing for him and which his opponents are trying to foist upon him for two autumns in a row.

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Yeltsin Rejects Draft Law on Political Parties

LD0210161995 Moscow Russian Public Television First Channel Network in Russian 1500 GMT 2 Oct 95

[From the "Novosti" newscast]

[FBIS Translated Text] President Boris Yeltsin today rejected the draft law on political parties, approved by the State Duma, the press service of the head of state reported.

The president's letter to Ivan Rybkin, the speaker of the lower chamber of the Russian parliament, states that the draft law has a number of serious shortcomings and contravenes the Constitution of the Russian Federation in a number of instances.

Boris Yeltsin thinks that the draft law contains provisions contravening federal law No. 864. In particular, the draft law does not sufficiently tally with the existing basic federal law on public associations.

Yeltsin Edict Seen as 'Trial Balloon' for Election Delay

MK0310083295 Moscow OBSHCHAYA GAZETA in Russian No. 39, 28 Sep-4 Oct p 1

[Report by Aleksandr Tarasov: "Hold Me, Ye Straw...."]

[FBIS Translated Text] Presidential edict No. 951 moving local executive and legislative elections to December 1996 and June 1997, respectively, is undoubtedly a historic edict. It is one of the most serious legislative moves by the Kremlin since the adoption of the new Constitution. In effect Yeltsin has told the country: Parliament can adopt any laws on local elections it likes, but everything will be as I order just the same. The country's reaction has been sluggish. Well, the Duma sent a complaint to the Constitutional Court: Who treats such buffoonery seriously? Well, some governors took offense and criticized the president....

You can understand the governors. They have prepared for local elections, found people, distributed roles, worked out a strategy for their own reelection, and now what, all of this down the drain! Now they will have to spend all their efforts on supporting the Kremlin team in the parliamentary and presidential elections. After all, what could local administration heads tell their constituents? Only this: We shall stand up for the interests of our region; we shall curb the greedy tax appetites of the center; all these bureaucrats entrenched in Moscow are causing us trouble, but if you elect me, I, if anyone, will shorten their hands. Whoever does not believe this should recall how Rossel was elected.

So what now? Who will believe a person crying "Down with greedy Moscow" if he has bent over backwards defending the interests of this Moscow?

In other words, the Yeltsin team with one hand creates the effect of "stability" and harnesses the executive vertical structure to its preelection chariot, but with the other creates new (and influential) opponents for itself in the provinces.

Isn't this just too silly? There can be only one explanation here: The authorities have abandoned the old scenario. Presumably Rossel's election was the final proof that banking on Chernomyrdin was a mistake. The hope of forming a pro-presidential two-party system also collapsed dismally. There is no time left for thorough preparations and for choosing the best possible option, and the ruling authority is spasmodically clutching at every straw, looking for new allies, and giving out new promises. This began in August: Edict No. 879, which raised salaries for state agency employees 1.54 times, also works toward "stabilization" and expansion of the president's social base. But at the same time it hurts those who were left outside (including many of those loyal to the regime). Edict No. 890, which cut customs duties on exported goods by 30 percent (and on ferrous metal products by 50 percent), "stabilizes" the mood in industrial circles and attracts exporters to the presidential team, but at the same time offends importers, who have hitherto been reliable supporters of the authorities. The examples can be easily multiplied.

The president is obviously nervous. Failure in the elections has suddenly become a reality, while an oppositionist successor could easily put his predecessor in Lefortovo Prison. Very narrow but very well informed circles say that half a year ago a confidential conversation took place between Yeltsin and Chernomyrdin, in the course of which Yeltsin told Chernomyrdin that he would retire but was afraid that a new president would spoil his well-deserved rest. Purportedly Chernomyrdin swore that if he became his successor, he would not even allow this subject to be raised in the first place.

Now Yeltsin already knows, and is saying aloud, that Chernomyrdin will not get more than 8-12 percent [of the vote]. What sort of successor is this then?

But Skokov, who has landed in the United States, is publicly coming out with assurances that if he becomes the new president, he will not allow reprisals against Yeltsin. Skokov is too experienced an apparatchik to say this without thinking or without taking counsel.

The presidential team does nothing without testing the waters first. It widely uses the practice of "trial balloons." Edict No. 951 could also be such a "trial

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balloon." If local elections can be postponed and the country is silent, why then not parliamentary and presidential elections? The reason? Any reason will do: the war in Chechnya or in Bosnia, the upsurge in terrorism in large cities and the resultant imposition of a state of emergency ("you cannot possibly hold elections at gunpoint"), an epidemic (flu, for example), a devastating natural calamity (an earthquake in the village of Kotlovan, Tver region), or, last but not least, rampant crime.

Bad detective novels often use the cliche: "Feeling that the end was near, he got jittery [on zametalsya]." The ruling authority is jittery. One awaits the most unexpected moves — including silly ones.

Yeltsin: President To Make Decisions on Government Shares

LD0210183695 Moscow INTERFAX in English 1600 GMT 2 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 2 (INTERFAX) — President Boris Yeltsin has issued a decree on the procedure of decision making related to the management and sale of government-owned shares.

"From now, any decision on the management of government shares is to be decreed by the head of state alone," Yeltsin's aide on economic matters Aleksandr Livshits told a news briefing in Moscow on Monday. But he added that such decrees would be based on government proposals.

Livshits said the latest decree was designed to help straighten out the running of federal property. He spoke of snowballing attempts to try to privatize federal property or shares not subject to any privatization.

Livshits warned against creating a situation when "we may well ask what else is there to be privatized in Russia."

He said the number of facilities not liable for privatization made up "a whole volume," more than 100 pages long. Livshits said the latest decree was caused by the need to keep an eye on this kind of property.

IZVESTIYA Examines Rumors on Chernomyrdin's Future

MM0210191195 Moscow IZVESTIYA in Russian 3 Oct 95 p 1

[Report by Mikhail Berger: "Possible Dismissal of Premier Chernomyrdin Would Put President Yeltsin's Future in Jeopardy"]

[FBIS Translated Text] When this issue of IZVESTIYA was going to press, INTERFAX reported that Russian President Boris Yeltsin is returning to Moscow Monday. At the same time, sources within the government apparatus announced that it is planned that Premier Viktor Chernomyrdin should meet the president at the airport. INTERFAX did not rule out the possibility that Boris Yeltsin might at long last have a conversation with the Russian head of government immediately after the aircraft lands. Prior to this, the meeting between the president and the premier had already been arranged twice but was canceled on both occasions. This gave commentators grounds for beginning to talk about the premier's possible dismissal. Will the next few days make the president's relations with the head of government any clearer?

It is today becoming increasingly evident that long before the parliamentary elections, an "election" of a different kind may take place — that of the prime minister.

The first strong rumors about Viktor Chernomyrdin's possible dismissal emerged more than a year ago — last summer. However, the rumors remained rumors, and the premier himself only strengthened his position during this time.

It is hard to say what the last year's rumors were based on, but nothing has surfaced since. The current situation appears to be slightly different. A great deal has suddenly come to light. Presidential aide Aleksandr Livshits openly stated last week that he personally is opposed to the government's dismissal. This means that somebody is "in favor" of this and this somebody (or these people) is (or are) very influential.

The curious idea has also emerged that the premier should go on leave for the duration of the election period. This proposal, put forward by Sergey Shakhray, seems fairly bizarre.

But be that as it may, it is clear that fairly serious pressure is being put on the president, and the aim of this pressure is to get Chernomyrdin out of the way, whether by sending him on leave or by dismissing him.

It would be naive to think that the reason for the friction is Yeltsin's jealousy over Chernomyrdin's increasing popularity and the fear that the premier will be competition at the presidential elections. First, it is generally hard to assess Chernomyrdin's popularity before the elections. Second, the premier will hardly run for president if Yeltsin puts himself forward once again.

One should consider as even more unlikely the supposition that Yeltsin has resolved to radically change economic policy and has therefore decided to replace the head of government. There is no convincing alternative economic program for moving Russia toward a

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market economy and an open civil society. At least not within the circle of politicians on whose services the president might theoretically call. It is obvious that the Communists, Agrarians, and Liberal Democrats do not by definition figure in this circle. The democrats from "Yabloko" and "Forward, Russia!" are not offering their services.

The aim of the economic doctrine of the Congress of Russian Communities is to bring about global protectionism for Russian producers and to strengthen the state's role in the economy. The implementation of this policy threatens to make the Russian economy even less competitive, with it exporting raw materials and energy sources on an even larger scale than today and many enterprises once more becoming dependent on the state.

It is most likely that the president's choice depends not so much on policy as on personalities. The president is probably being urged to make a "resolute move" and replace the premier, in which case the latter will act as a political lightning conductor and deflect all the dissatisfaction that has built up within society. However, it is hard to dissociate government policy from the president, even if the president himself wants this. What has happened in the country during the past four years and what is happening now are inseparably linked to his name. The president will hardly succeed in distancing himself from the policy that is being implemented in Russia, even if he replaces the prime minister.

From a politically pragmatic point of view, it would be much more effective to make use of the positive fruits of the reforms during the presidential elections. Especially as several experts consider that the positive changes, if the present policy is maintained, will be more noticeable in the first half of next year.

But if the president does not come down on the side of the present premier and the government is put in the hands of, say, Yuriy Skokov, events may take a completely different course. If the government has succeeded in achieving anything recently, all this will be forgotten or lost. And to expect a new premier to radically change the situation for the better in the space of a few months is to build castles in the air.

What decision will Yeltsin come to? Whatever it might be, it will have the most direct bearing on the presidential elections, which for Yeltsin are far more important than the parliamentary elections.

Article Questions Need For Presidential Science Council

MK0310083595 Moscow KURANTY in Russian 26 Sep 95 p 5

[Report by Vladimir Pokrovskiy: "Why Do We Need Two Science Ministries?"]

[FBIS Translated Text] The Council on Science-and-Technology Policy under the country's president held its second meeting in an atmosphere of the strictest secrecy a month ago. Television news programs reported that the head of the council defined 10 dual-purpose technologies — that is, those that can be used for military and civilian purposes — which from now on will be priority conversion areas and will be taken by Boris Nikolayevich personally under presidential supervision. So, it was learned the other day that they would cost $1.265 billion, or approximately as much as the entire annual budget of Russian science.

This figure is cited in documents sent to various science-intensive institutions of the country. No one knows how it has emerged or from which sources it will be allocated. There are no corresponding articles in the 1995 state budget or the draft 1996 budget under consideration at the State Duma, nor are there any commentaries. What remains is to suggest that the "presidential technologies" will be financed at the expense of federal programs that have not come to the president's attention — which programs is not yet clear either. It is known, however, that the 10 priorities include such programs as the assimilation of the Barents Sea shelf, the construction of underground nuclear power plants, and floating space centers to launch space vehicles — whether from the equator or from any other point of the World Ocean.

Academician Yevgeniy Velikhov, who is, in all likelihood, one of the chief sponsors of the dual-purpose technology idea, asserts that the 10 presidential programs include all the military-industrial sector's assets: "Management experience, high technological discipline, the integrated nature of the entire technological cycle, standards, and certification." He also insists that by implementing these programs we "will create jobs and secure our presence on world markets" and hopes that these projects "may mark a turn to a healthier investment climate."

Is that really so? It is hard to answer this question. For the scientific community and the press it remains a mystery how precisely these 10 technologies were chosen and whether these are really the most promising ones in the entire spectrum of military research and development. Take underground nuclear power plants,

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for instance. The idea of building them was proposed by Academician Sakharov a long time ago. In terms of security they hold great interest, but this is a very expensive program, and no one can say if Russia can tackle it at this stage. It has not undergone an expert appraisal either. The same applies to another program, "Sea Start." This program, moreover, is seen by many as something exotic, without which one can well do.

So it turns out that decisionmaking on programs that approach in terms of scale "the great construction projects" of the recent past occurred behind closed doors, while it should have been an open process involving the widest circles of the scientific community. Neither the State Defense Industry Committee nor the Science Ministry, that is, the main holders of information on advanced conversion technologies, have been invited to join in compiling the list of the priority — hence, the country's most important — areas of scientific activity. As far as we know, the Russian Academy of Sciences Presidium has not met to discuss these technologies either. Meanwhile, a high-ranking Science Ministry official, who asked not to be identified, said that this agency had repeatedly turned to the Council, offering assistance in selecting programs, but to no avail. Its proposals fell on deaf ears. So what happened as a result? The money will be earmarked for programs the state already supports. This is the case, for instance, with underground nuclear power plants — these developments are funded under the ministry's scientific research programs. It turns out that, while selecting priorities, they failed to heed even information that directly concerns the selected dual-purpose technologies. Someone's oversight? A lack of coordination? Or perhaps someone, cunningly manipulating his influence on or proximity to the president, is thus addressing his own problems at the taxpayer's expense?

I would not like to think that, but... it is well known that several technologies chosen by the president as priorities are supervised by members of the presidential council. Most of the other projects are directly related to the science-and-technology sectors headed by council members and, for this reason, could well have their lobbyists on the council. In science-and-technology circles these technologies have already been dubbed "those lobbied for" or "double [dvoynyye]." This is why one gets the impression that in most cases priority was given not so much to technologies as to council members themselves.

It is difficult to say to what extent this is true because information coming from the "very top" to those a rung lower is imperative in nature and strictly measured. A bureaucrat to whom we turned in search of information and who could not help us at all said that even the level (!) at which the closed-door decisions are made is kept secret. Still, it is quite evident that this is a high level, for the Russian procedure for defining state priorities is carefully developed and complex; it includes many stages and requires numerous endorsements. In this particular case, however, nothing of the kind was done; moreover, when choosing the fortunate technologies even certain requirements of Russian legislation were not complied with — namely, those calling for special procedures to be applied to any program laying claim to federal status and, therefore, to injections from the state budget. The decision on dual technologies, for instance, was made without any reference whatsoever to the Law on Production Supplies for State Requirements, which clearly regulates the passage of any program intended to acquire federal status, including a presidential one (that is, a program that has a top priority). Under this law, all such programs must first be submitted to the Economy Ministry, which holds negotiations to reach agreement with potential contractors and customers; only then can a decision be made.

Because, as has already been mentioned, dual-technology programs are absent from the federal budget, they will presumably be financed at the expense of other federal scientific and science-and-technology programs. The latter receive only 30-70 percent of planned allocations even at this stage. Now, thanks to the presidential status of their new competitor in the struggle for budget funds, this percentage may go down much further.

Thus, it becomes clear even after superficial analysis that using the 10 dual-purpose technologies, the Presidential Programs Center — which was recently set up by Boris Yeltsin's edict and which is headed by Nikolay Malyshev, one of the key persons on the council — is becoming yet another science-and-technology agency, a fairly rich one at that and, accordingly, powerful. As a matter of fact, the first June meeting of the presidential council, if the reader remembers, was devoted precisely to the creation of such an agency; at the meeting, Nikolay Malyshev, presidential adviser on science, together with the leadership of the Russian Academy of Sciences Presidium, attempted to abolish the Science Ministry and to resuscitate in its place an absurd replica of the former unwieldy but very well-off USSR Committee on Science and Technology. At the time, partly due to a hullabaloo raised in the press, this could be avoided. Now conversion and the accompanying atmosphere of military secretiveness has come to its rescue.

To all appearances, the most unpleasant side to this whole story is the very existence of the Presidential Council on Science-and-Technology Policy, which op-

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erates behind closed doors. It has a somewhat absurd structure — while carrying out, according to its status, purely consultative functions, this council is headed by Boris Yeltsin and Viktor Chernomyrdin; that is, it turns out that the president consults himself on scientific and technological matters.

In fact, however, this absurdity is fairly reasonable and effective, but only for the chosen. Science-and-technology barons, once on the council, have the opportunity to communicate directly with the state's top leaders and prod them to make one decision or another advantageous for them without the requisite expert appraisals or agreements. Operating apart from the already established and approved science-and-technology policy of the country and the already approved Russian scientific doctrine, regardless of existing procedures and laws, and, finally, regardless of the actual state of affairs and the Russian science-and-technology community itself, they can create their own alternative science-and-technology policy and their own alternative science-and-technology doctrine that will be advantageous for the council, but will have dubious benefits for the country. Therefore, from a consultative agency the council has been transformed into a hermetic alternative ministry of science blessed by presidential authority that does not report to anybody. Is that a good thing?

Authorities Preparing Personal Data Protection Law

MM0310085395 Moscow IZVESTIYA in Russian 30 Sep 95 p 1

[Report by Vasiliy Kononenko: "Computer Surveillance May Become Part of Our Lives"]

[FBIS Translated Text] The authorities have begun to hurriedly prepare the law "On Personal Data." Public hearings on this draft document, in which representatives of the special services, the Security Council, and other structures took part, were held 28 September.

Data collection on specific individuals in Russia began long ago. Back in 1914, specialists claim, what at first glance seemed highly inoffensive information regarding members of the czar's family and then about politically unreliable elements began to be amassed in St. Petersburg gendarmerie archives. This work subsequently took on gigantic proportions thanks to the efforts of repressive organs and, needless to say, the KGB. However, whereas previously such files were only accessible to a very limited number of people, now a ramified computer network and the absence of legislation to regulate the procedures governing the gathering, processing, and use of information regarding a specific individual are posing a real threat to national security.

It is well-known that every time a person goes to a state establishment or to a clinic, insurance agency, employment service, or a bank, not to mention the police, it is necessary for a form on him containing personal data to be filled out. If this information is supplemented by the information that can be collected from computer networks in a store or restaurant (by reading the contents of credit cards) or from the tax service, you could say that our lives are becoming open to computer criminals.

The hearings cited the following examples. Quite recently the Moscow Government adopted a very useful decision — citizens on vacation may avoid paying for utilities. In response we said "thank you to the authorities" in unison. At the same time few people noticed that before going on vacation we have to submit the relevant application to the REU [expansion unknown]. Were this data to fall into the hands of rogues, the level of burglaries would rocket immediately.

Even such an extremely important matter as the compilation of land and industrial registers has its pitfalls. The owner of a dacha plot or a home, not to mention a small workshop, must submit highly detailed personal documentation. Once this data has been collected in a single data base it immediately becomes a commodity and the underground trade in this commodity is already picking up.

A spokesman for the Russian State Archive Service cited interesting figures. What used to be the CPSU [Communist Party of the Soviet Union] Central Committee archive now stores around 250,000 files on citizens who were previously interviewed by off-site commissions, commissions dealing with personal matters, etc. I can still remember that we are supposed to leave information about ourselves at the registry office, the shoe repair workshop, and, lastly, when collecting signatures for a particular candidate deputy.

A. Kurilo, the Security Council representative, who is one of the people working on the draft law on personal data, said during a conversation with your IZVESTIYA correspondent that Interpol specialists forecast a dramatic increase in computer crime in Russia in the next two or three years. Even before V. Levin's arrest dozens of cases of computer hackers [kibergangstery] breaking into various computer networks were recorded. They primarily involved attempts to steal money from accounts and industrial espionage. A real danger of theft of information on individual citizens and on their property affairs may have very grave consequences.

What safeguards are being proposed by the people compiling the law on personal data? Personal data gathered by the relevant licensed organization should be declared

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confidential, i.e. secret. Everyone involved in gathering, processing, using, and protecting [blokirovaniye] this data should be accountable for the unauthorized transfer of such information and the special services — the FSB [Federal Security Service], the FAPSI [Federal Government Communications and Information Agency] — should protect computer codes from being cracked. A personal data commissioner appointed by the State Duma should oversee compliance with this. He will have his own representatives in the regions.

Moreover, the Security Council has drafted a special section of the federal crime-fighting program which makes provision for operational and other measures to combat computer hackers.

In short the authorities are preparing to deal with the new onslaught. They should not delay. After all, the UN Subcommittee on Crime already ranks computer crime alongside the drugs business.

Military Issues

Chernomyrdin Visits Strategic Missile Command

LD0310095095 Moscow INTERFAX in English 0904 GMT 3 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 2 (INTERFAX) — Russian Prime Minister Viktor Chernomyrdin visited the command of the Russian strategic missile troops' missile army last Sunday [1 October].

The strategic missile troop command's press service told INTERFAX today that Chernomyrdin had examined the troops' military capability, and living and working conditions for servicemen.

Missile Army Commander Lieutenant-General Anatoliy Borzenkov briefed Chernomyrdin on the tasks resolved by the missile army command and the missile troops' urgent problems.

The same source said Chernomyrdin had spoken to servicemen. He praised the performance of the strategic missile troops and emphasized their significance for the defense of Russia's interests and security.

Federal Assembly

Government Confidence Vote Not on State Duma Agenda

LD0210171995 Moscow INTERFAX in English 1537 GMT 2 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 2 (INTERFAX) — A vote of confidence in the government has not been proposed for inclusion in the State Duma agenda, Sergey Glazyev, chairman of the Economic Policy Committee and a leader of the Congress of Russian Communities, told INTERFAX.

Those who want parliament to express its lack of confidence in Viktor Chernomyrdin's cabinet have collected over 100 signatures of MPs in favor of having this issue on the agenda but they have not submitted their motion to the State Duma Council yet. "We are not sure of Zhirinovskiy's position," Glazyev explained. Chernomyrdin is accused this time of abusing his position for his electoral campaign.

Nearly 40 members of Zhirinovskiy's LDPR [Liberal Democratic Party of Russia] party have signed the motion. Those who started the collection of signatures believe that if Zhirinovskiy decides so, all the signatures of his party's members will be withdrawn.

Zhirinovskiy had told journalists that his party had not made this motion and neither has any other party in the State Duma.

Parliamentarians Differ Over October 1993 Revolt

LD0210175995 Moscow ITAR-TASS in English 1730 GMT 2 Oct 95

[FBIS Transcribed Text] MOSCOW, October 2 (ITAR-TASS) — Two years after the bloody October 1993 revolt in Moscow, Russian lawmakers express a variety of standpoints concerning the event that shook the nation.

Grigoriy Yavlinskiy, the leader of the moderate reformist Yabloko faction in the State Duma, speaking to reporters on Monday, blamed both sides in the conflict, adding that if a special criminal code for politicians existed, it would carry an article envisaging punishment for "causing fratricide".

Ultra nationalist leader Vladimir Zhirinovskiy stressed the positive role played by his party which distantiated [as received] from both "the Kremlin and the White House".

Chairman of the Duma Defence Committee Sergey Yushchenkov noted that the revolt, provided it was a success, "could have led to the worst form of totalitarism" in Russia. Yushchenkov, an active member of the Russia's Choice reformist movement, said that the events of October 1993 had been caused in particular "by a desire to pump the entire power to the Supreme Soviet, or better to say to its leadership, and even to one person — Ruslan Khasbulatov."

Mikhail Lapshin, chief of the Agrarian Party, insisted that those responsible for shooting must answer. "The pain of the October tragedy will not abate until its true perpetrators are named." He stressed that the Duma

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meeting of October 4 must not only honour the memory of the October victims but "condemn those who gave the order to shoot."

Duma speaker Ivan Rybkin told reporters that he had proposed that at the opening of their meeting on October 4, deputies observe a one-minute silence "in the memory of all victims of the October tragedy, without exception."

Rybkin however noted that further investigation into the event is hardly possible, since the question has been closed "at least for the visible future" by the Duma resolution of February 24, 1994, providing amnesty to all involved in the bloody events of October 1993.

Last month, the Russian Public Prosecutor's Office stopped the official investigation into the October 1993 revolt in citing the parliamentary amnesty and the attainment of the probe's major goals as a reason.

The investigation was launched on October 3, 1993 to probe into the "facts of mass riots" in Moscow, including the events around the White House and the Ostankino television and radio broadcasting company, and resulted in a 350-volume case closed by a 1,300-page ruling of the Public Prosecutor's Office on September 3, 1995.

The Office said the case was being closed because its major objectives — the search of weapons, determination of victims and damage — had been fulfilled, while all key figures involved in the mutiny had been amnestied by the State Duma.

Investigators said a total of 123 people died during the October 3-4 revolt or later from wounds and 348 people received injuries of various degrees.

Regional Affairs

Chechnya Reportage; Negotiations, Military, Politics

Lobov Answers U.S. Ambassador's Questions

LD0310114595 Moscow ITAR-TASS World Service in Russian 1055 GMT 3 Oct 95

[FBIS Translated Text] Moscow, 3 Oct (ITAR-TASS) — Today, Oleg Lobov, secretary of the Security Council [SC], plenipotentiary representative of President Boris Yeltsin in the Chechen Republic, received the U.S. Ambassador to Russia Thomas Pickering at the latter's request. The SC's Press Service announced that during the conversation Lobov answered the ambassador's questions regarding the situation in Chechnya and told him of the plans for the restoration of peaceful life and the Chechen economy.

Pickering expressed his gratitude for the information he received straight from the Russian president's representative in Chechnya, and promised to convey it to the American leadership.

Lobov on Possible Oil Industry Financing

LD0210200895 Moscow ITAR-TASS in English 1936 GMT 2 Oct 95

[By Natalya Panshina]

[FBIS Transcribed Text] MOSCOW, October 2 (ITAR-TASS) — The oil industry may become the main source providing additional finances for the clear-up operations in Chechnya, if oil production reaches the pre-war level of four million metric tons per year, Russian President's personal envoy for Chechnya Oleg Lobov said at a meeting with officials from Russian ministries, departments, and commercial banks authorised by the Russian government.

Lobov proposed all concerned state agencies to take part in a meeting of the Fuel Ministry in Chechnya on Wednesday. He also voiced an intention to ask the government to adopt a resolution on the development of Chechnya's oil industry, which should follow a presidential decree on the oil industry in the republic.

Lobov said it was necessary that the state immediately grant allowances for those who had suffered from hostilities in Chechnya.

Earlier, President Boris Yeltsin issued a decree on paying compensation of 20 minimal salaries (about 220 US dollars) to those who had suffered from the hostilities in Chechnya, and 200 minimal salaries (about 2,200 US dollars) to the families of the killed. Of 300 billion roubles (60 million US dollars) necessary for the purpose, only 100 billion roubles (22 million US dollars) are available. The decree expires on Friday.

Speaking about the situation in the republic, Lobov said that famine was virtually spreading in it. "People have neither money nor job. That is why the compensation issue is especially acute," he said.

Industrial employment in Chechnya is 20 percent at the most; 29 drill teams are being laid off, he said.

According to first deputy head of the State Commission for the restoration of the economic and social sphere in Chechnya Pyotr Surov, the financing situation has slightly changed for the better in the recent 20 days.

Among the commercial banks which paid out 1 trillion 113 billion roubles (about 250 million US dollars), Meanatep scored a record by paying the 133 billion roubles (over 25 million US dollars) it had promised.

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Central government transferred more than twice as much money for the restoration of the Chechen economy in September than in August.

But this money will "start operating only in October and November". At present, the situation is very difficult. Eight thousand workers who did not receive wages for two months left Chechnya, Surov said.

Conscripts Face Longer Military Service

LD0210212295 Moscow NTV in Russian 1900 GMT 2 Oct 95

[Video report by unidentified correspondent]

[FBIS Translated Text] [Correspondent, over video showing servicemen in camp] Conscript ranks and NCOs who have already served 18 months in Chechnya have already bought their civilian clothes and got ready to go home. A Russian presidential edict has been published on dismissing into the reserve servicemen who have served their statutory periods. Confusion arose back in the spring when the legislative and executive authorities were squabbling over whether conscripts should serve 18 months or two years. To cut out the details, one can say that a compromise decision was adopted under which conscripted soldiers and NCOs in hot-spots would serve 18 months. The personnel were informed of this in mid-summer. The action had its effect: Immediately after this, the number of desertions went down abruptly. It seemed just that lads who were risking their lives and burying their comrades had the right to some privilege. No one doubted that they would keep that right.

Falsely, though: Yesterday an addendum to the above-mentioned edict arrived. It emerges from this that all conscripts without exception will serve for two years. Well-informed senior officers were not overly surprised at the news, but the overwhelming majority of officers were dismayed. Needless to say, the men of the ranks feel they have quite simply been deceived. The soldiers have already heard that their length of service had been extended by six months, but they do not want to believe it fully.

[Begin unidentified soldier's recording] I keep hoping I will be discharged on time, that I will not have to do two years. [end recording]

[Correspondent] Perhaps the officers, too, hope that some other directive will arrive and everything will be OK: So for the moment the contents of the sorry document have not been announced in the formations and platoons.

The Defense Ministry will most likely have a simple response to the indignation of soldiers' mothers: Draft-dodgers are to blame. But those who did manage to dodge military service will thank their lucky stars yet again that they did not land up in the army.

Cossack Village Plight Reported

MK0310082795 Moscow MOSKOVSKAYA PRAVDA in Russian 30 Sep 95 p 1

[Report by Oleg Zhirnov: "Village of Assinovskaya Pins Hopes on Russia"]

[FBIS Translated Text] State Duma Deputy Nina Zatsepina, a member of the Duma commission investigating events in Chechnya, returned the other day from the Cossack village of Assinovskaya in the Chechen Republic and shared her impressions with journalists.

In her words, this is today the only remaining place with a dense Russian-speaking population in Chechnya. The main demand of the inhabitants is not to have the Russian troops withdrawn from the village. The Russians are intimidated; they are afraid to speak frankly in the presence of Chechens, whose number in the village is growing while the Russian-speaking population is diminishing. Denying reports by some media alleging that there is "ethnic cleansing" against Chechens in Chechnya, N. Zatsepina declared that if there is ethnic cleansing there at all, it is directed against the Russian-speaking population.

The process of disarming the Chechen side in Assinovskaya is virtually not proceeding — not a single weapon has been surrendered. Dudayev's fighters are in full control of the locality of Sernovodsk, 10 kilometers from Assinovskaya, and Dudayevites behave in a defiant way even in the Russian village itself.

The Russian deputy describes the situation in Chechnya on the whole as follows: Officially, a truce has been declared; in reality, unilateral combat operations are under way. There is continued shooting at Russian checkpoints. The Russian army is demoralized. The servicemen are saying, "We do not understand why we are here." Food for the army is extremely scarce. There is no bread; the soldiers' only rations are dried crusts and canned meat. Being in Chechnya for many officers is a way somehow to feed their families by getting paid 20,000 rubles a day in "wartime" salary, because they are not being paid at all at the places of their permanent service.

Nina Zatsepina thinks it absurd at the moment to appropriate huge funds for rehabilitation work in Chechnya: The money taken away from the Russian taxpayer will end up lost all the same.

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Commission To Work With Field Commanders

LD0210183795 Moscow INTERFAX in English 1600 GMT 2 Oct 95

[FBIS Transcribed Text] GROZNYY, Oct 2 (INTERFAX) — The Special Observer Commission, formed to control the fulfillment of military agreements in Chechnya, approved the first schedule for work with self-defense unit commanders in Groznyy Monday, commander of federal forces in Chechnya Anatoliy Romanov told a briefing in Groznyy at the end of the Commission meeting.

In his words, commission members will leave Groznyy Tuesday "to instruct and inform field commanders of the normative documents they are to be guided by." These concern "the interaction with field commanders and other aspects of fulfillment of the disarmament schedule," said Romanov.

"The disarmament schedules were once again discussed in detail, and approved by the commission co-chairmen today," he added.

In the words of Romanov, they have elaborated a timetable for the commission's work in the disarmament period.

According to Romanov, the plan's fulfillment will start on October 3. Commission representatives will go to the Vedeno region in Chechen south to hold the first meeting and prepare for the agreement implementation.

Romanov told correspondents he had passed over to head of the Chechen military staff Aslan Maskhadov the Russian government resolution of September 26 "On Measures to Normalize Situation in Chechen Republic". According to him, the resolution explains the procedure for fulfillment of the military agreements.

"The Russian government resolves to use the agreement on peaceful settlement in Chechnya (the military agreement) of June 30 for further normalization in the republic," said the commander.

The sides have failed to agree on a provision of the agreement, but they will "continue working on it," said Romanov.

In his turn, Maskhadov explained that they failed to reach a compromise on formation of self-defense units. He stressed that the Chechen side considers this issue to be essential and thinks that formation in settlements of the law- enforcement bodies "unilaterally imposed by the Russian side" is a political question.

"A decision on the fate of the Chechen republic is being taken, and we consider the creation of self-defense units as a guarantee of security of the Chechen people," he said.

Commenting on the Russian government resolution passed over to Maskhadov by the Russian side, he said "the document has many aspects that pave way to fulfillment of the military agreements."

Chernomyrdin Insists on Peaceful Settlement

LD0110080495 Moscow ITAR-TASS in English 0741 GMT 1 Oct 95

[By Nikolay Setunskiy]

[FBIS Transcribed Text] OTTAWA October 1 (ITAR-TASS) — "Despite the complicated situation in Chechnya, a persistent search for a peaceful political settlement of the crisis is going on there", Russian Prime Minister Viktor Chernomyrdin said in an interview with the "TORONTO STAR" newspaper in connection with his upcoming visit to Canada which is to begin on October 4.

"The Russian Federation confirms the sovereignty of the Chechen republic within the federation and its future status is to be determined after elections and the creation of state bodies of power by means of a share-power agreement between the federal and local authorities", he said adding that all agreements signed with Chechnya must comply with the Russian Constitution.

Commenting on whether Moscow was right in sending troops to quell the Chechen separatist bid, Chernomyrdin said the slogan of independence was used by Chechen leaders as a cover for their criminal activities.

"In Chechnya criminal groups have seized power. They did not strive to build a certain new Chechen state in the normal meaning of the word. They wanted only to rob and to make profits from trading weapons, drugs and oil. When it became clear that such a situation cannot last forever, that law and order would be restored, they raised the slogan of "independence". However, it was not aimed at creating a normal democratic state in Chechnya, but at a something like a "pirate republic". Therefore, one should not mix the fight of mafia clans with the right of the people for self-determination", the premier said.

"If one or another region believes it necessary to change its status within Russia or amend the system of relations with the Federation in general, we are open for negotiations. But if the talk is about violations of the Constitution, there will be no compromise", Chernomyrdin stressed.

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The future Chechen state structure will be determined by its residents at democratic elections which "should put the situation on the normal peaceful track".

"I can assure you that the federal government is doing and will do everything it can to ensure that", the premier said.

Maskhadov Hails Government Resolution

LD0210201895 Moscow ITAR-TASS World Service in Russian 1432 GMT 2 Oct 95

[By ITAR-TASS correspondents Sergey Ostanin and Ruslan Maysigov]

[FBIS Translated Text] Groznyy, 2 Oct (ITAR-TASS) — There are very many points in the resolution of the Russian Federation government of 26 September on implementing measures to bring the situation back to normal on the territory of the Chechen republic which make it possible to put into practice the agreement of 30 July on a peaceful settlement of the situation in Chechnya, Aslan Maskhadov, chief of staff of the Dudayev groups, has stated. He expressed this opinion at a joint news conference with the commander of the Joint Group of Federal Forces in Chechnya, General Anatoliy Romanov, which took place in Groznyy today after a sitting of the special observers' commission.

However, Aslan Maskhadov does not entirely agree with the section of the resolution which deals with the number of towns where guards' detachments are to be set up. The creation of such detachments, A. Maskhadov feels, is a guarantee of the security of the Chechen people and, in his opinion, they must be set up in every town. The creation "of law enforcement structures on a unilateral basis by the federal authorities, was described by him as a political issue on which the fate of the Chechen republic depends."

In conversation with an ITAR-TASS correspondent A. Maskhadov expressed the opinion that work on an individual basis by the members of the special observers commission with field commanders should speed up the disarmament process. He noted that after work by members of the special observers commission on Sunday [1 October] in Nozhay-Yurt Region, the withdrawal of troops from this district to agreed base locations was completed. He said this was "a gratifying example of the signed agreement being implemented."

Volskiy: Progressive Forces Not Unified

LD0210171395 Moscow INTERFAX in English 1537 GMT 2 Oct 95

[FBIS Transcribed Text] MOSCOW, Oct 2 (INTERFAX) — Deputy chief of the Russian delegation to the talks in Groznyy Arkadiy Volskiy thinks the main task in settling the conflict in Chechnya — the unification of progressive anti-Dudayev groups — has not been carried out yet.

In a Monday interview with INTERFAX he said a progressive coalition is necessary for the success of local elections in Chechnya and the Duma elections.

In Volskiy's opinion the source of the conflict in Chechnya could be called non-religious, but for various Muslim death squads. "Dudayev's supporters give a religious aspect to the conflict," the negotiator said.

"I am not a pessimist or optimist as far as the Chechen conflict is concerned, I am a realist," Volskiy stressed. "We left in Chechnya 50% of the arms used there now, we also brought Dudayev, so we have to find a way out ourselves," he said.

The meeting of Muslim and Christian clergymen at the same negotiating table was named among the positive results of Volskiy's visit to Chechnya. "The fact was not advertised but religious figures on both sides tried to find a solution," Volskiy said.

He also attached much significance to the opening of a Christian center in Groznyy.

Khasbulatov Calls For Legitimate Leaders

LD0110162795 Moscow INTERFAX in English 1358 GMT 1 Oct 95

[FBIS Transcribed Text] GROZNYY, Oct 1 (INTERFAX) — "Without the formation of new legitimate power bodies in Chechnya, there will be no basis for resolving the conflict," leader of the Union of People—For Revival of Republic movement Ruslan Khasbulatov told a press conference in Groznyy today.

Khasbulatov, the Russian parliament's former chairman, said: "Elections should be regarded as a stabilizing factor." He said that to hold elections, "it's necessary to reach agreements with all opponents."

Khasbulatov said he believed that "establishment of peace now depends not so much on people themselves but on the authorities which are to blame for unleashing the war."

With regards to parliamentary elections in Russia, Khasbulatov said they could be held in Chechnya only along with elections to Chechen power bodies. He said that otherwise elections to the Russian State Duma might fail to take place in Chechnya because "the people are afraid that after these elections Moscow would not conclude with Chechnya a treaty on power-sharing and Chechnya's status."

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Khasbulatov said he believed that "the federal authorities don't want these elections to take place" because "they are afraid that independent and, the main point, honest people will come to power." "This frightens Moscow even more than some ephemeral threat of separatism," he said.

Khasbulatov said that, however, his coming to Chechnya had nothing to do with "pursuing some election goals."

When asked about the possibility of his meeting with Dzhokhar Dudayev, Khasbulatov said such a meeting might provoke a negative reaction on the part of Chechen residents. He said he did not want to meet with Dudayev, Basayev or other people "responsible for the introduction of troops and the unleashing of war" in Chechnya.

Presidential Adviser on Ossetian-Ingush Settlement

LD0210185395 Moscow INTERFAX in English 1620 GMT 2 Oct 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] "Successful continuation of talks between North Ossetia and Ingushetia for normalizing their relations requires good will from both parties," the Russian president's advisor for national security issues Yuriy Baturin told INTERFAX.

Baturin made a working visit to the North Caucasus at the end of last week.

He said the Russian State Committee for dealing with the aftermath of the Ossetian-Ingush conflict of 1992 offered its mediation at talks between North Ossetia and Ingushetia.

Baturin said the Russian government intended to continue providing necessary assistance to both parties in order to achieve successful implementation of the Russian president's decree regarding the restoration operation in the former conflict area and the return of Ingush refugees to North Ossetia.

Baturin left for Moscow on Sunday evening after meeting with the North Ossetian leadership and holding a working meeting of the Russian Interim State Committee in Vladikavkaz. Baturin will brief Russian President Boris Yeltsin on his visit to the North Caucasus and advance relevant recommendations regarding final settlement of the Ossetian-Ingush conflict.

Admiral Gromov Inspects Northern Fleet

LD0310105495 Moscow ITAR-TASS in English 1002 GMT 3 Oct 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, October 3 (ITAR-TASS) — Commander-in-Chief of the Russian Navy Admiral Feliks Gromov started a scheduled inspection of the combat readiness of the Northern Fleet on Tuesday, sources in the press service of the Russian Navy told TASS.

Gromov will analyse the results of the summer training of the Fleet's units, the sources said.

Earlier, the group of admirals and officers headed by Gromov visited units of the Russian Baltic Fleet, according to the sources.

The press service did not confirm information that Gromov's inspection of the aircraft carrier Admiral Flota Sovietskogo Soyuza Kuznetsov was linked to NATO's current command and staff exercises in the Czech Republic with the participation of 14 states.

The admiral's working visit to units deployed in the Arctic region will last until October 6.

Chelyabinsk Has 'Highest' Nuclear Radiation Level

LD0310103695 Moscow INTERFAX in English 0914 GMT 3 Oct 95

[FBIS Transcribed Text] CHELYABINSK, Russia, Oct 2 (INTERFAX-EURASIA) — The deputy governor of Russia's Chelyabinsk Region said on Monday [2 October] that his region was the area with the world's highest level of nuclear radiation and least safe nuclear installations.

Vyacheslav Yachmenev told a news conference in Chelyabinsk, center of the region that lies in the southern Urals, that those were conclusions drawn by a commission from the Emergency Situations Ministry. The commission examined the area of the Mayak enterprise, where, during an explosion in 1957, six times as much radioactive substance was thrown into the atmosphere as in the accident at the Chernobyl nuclear power plant in 1986.

The commission warned that unauthorized power cuts by local electricity companies might cause new nuclear accidents in the regions since all of its nuclear safety systems were in disrepair. This might have "unpredictable consequences," the deputy governor said, quoting experts.

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Cossack Union Created in Chelyabinsk Region

LD0110184295 Moscow INTERFAX in English 1717 GMT 1 Oct 95

[FBIS Transcribed Text] CHELYABINSK, Oct 1 (INTERFAX-EURASIA) — A union of the Cossack organizations of the Chelyabinsk Region (the Urals) has been created at a meeting in the Etkulskaya Village.

Ataman Aleksandr Belov has told INTERFAX-EURASIA that the new union "will struggle with officials from the Committee for Cossack Affairs of the Chelyabinsk regional administration." At their meeting the Cossacks approved a resolution which calls this state body "the committee for the struggle with the Cossack community," and Cossack atamans expressed no confidence to committee's chairman Rafail Bakirov.

Significantly, the "white" and "red" Cossacks have formed a single union for the first time. Earlier there were two Cossack organizations in the region — the White Union of Russian Cossack Troops and the Union of Russia's Cossacks. Each of the unions had its own hierarchy and troops.

Yakutia President Upbeat on Economy, Term Extension

MK0310082895 Moscow KOMMERSANT-DAILY in Russian 30 Sep 95 p 3

[Report by Lev Ambinder: "Mikhail Nikolayev Is Confident of Economic Sovereignty"]

[FBIS Translated Text] The struggles of regional elites with the center over control of hard-currency resources has long become one of the main features of Russian economic life. Noteworthy in this context is yesterday's press conference in Moscow by Mikhail Nikolayev, president of the Sakha/Yakutia Republic, who demonstrated a rare confidence in his powers.

Speaking about Yakutia's economic policy since the declaration of state sovereignty in 1991, Nikolayev did not seek a modest line and stated bluntly that the republic leadership had chosen "the correct way of turning the hypertrophied economy toward the individual." He then explained that Yakutia has chosen a different sovereignty model than Tatarstan: The republic stresses its readiness to build its statehood within the framework of the federation, but is making no secret of its aspiration toward economic independence.

Nikolayev stressed proudly that before the proclamation of its state sovereignty, Yakutia received a mere 4 percent of the profits from industrial enterprises located on its territory, and "serious matters were ignored by the center." Now "everything is in place to resolve our problems," the president said. Over the first eight months of this year, production growth has reached 3.8 percent. Diamond sales on the domestic market have doubled.

Also remarkable was the way Nikolayev expressed his attitude to the idea of extending his powers without an election — through a referendum. He refrained from comment, but missed no chance to observe that more than 200,000 signatures in support of the referendum had already been raised, which presumably suggests that he believes the question has been effectively resolved. Nikolayev's optimism may be a little premature, though. The opposition, set against the referendum, blames many sins on Nikolayev, the main sin being the uncontrolled spending of hard-currency funds.

Spending annually about $400 million on extraction, the "Almazy Rossii—Sakha" [Diamonds of Russia—Sakha] Company produces and sells $1.2 billion worth of diamonds, $700 million of which is remitted to Yakutia's budget in taxes. Under a leasing agreement, Yakutia redeems at cost 20 percent of the diamonds produced, and after resale to De Beers [preceding two words in English] at world prices the republic additionally obtains about $150 million annually. This $150 million has been the subject of perennial debate. These funds, independent experts in Yakutia say, are not returned to the budget but are spent on the president's personal directives.

Nikolayev himself fervently denies such allegations. In particular he told yesterday's press conference that he does not play any special role in distributing hard-currency funds. Nonbudget funds, according to him, are spent based on decisions of the government's tender and hard-currency commissions. True, such explanations may not be sufficient: The government's full subordination to the Yakutia president is one distinctive feature of the republic's sovereignty today.

Tula Deputies Face Pressure To Stand Down

MM0310082895 Moscow ROSSIYSKAYA GAZETA in Russian 28 Sep 95 p 1

[Report by correspondent Nikolay Kireyev: "'Lords' on an Oblast Scale"]

[FBIS Translated Text] Tula Oblast Duma deputies have decided to extend their powers for another two years. Almost all parties and movements in the oblast, the oblast prosecutor's office, and the oblast administration are opposed to this. But....

In April this year Oblast Duma deputies ignored the opinion of the electorate that voted them a two-year term in the legislature and extended their powers for a further two years. ROSSIYSKAYA GAZETA spoke out on

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the subject on 21 April in an article entitled "Brawlers With Mandates." The publication found public support, but the deputies led by their chairman V. Derevyanko stubbornly insisted on having their own way. Some of them have seriously begun to try on the mantle of "life peers" of Tula Oblast.

The third estate stepped into the fray. Oblast Prosecutor N. Kuzmenko protested against the Duma's actions and proposed that the law adopted by the deputies "On State Power Bodies in Tula Oblast" should be amended and, furthermore, brought into line with the Constitution and other legal acts. But even that did not work! An insignificant number of deputies voted against extending their term in office, some actually requesting that their powers be rescinded as of mid-December. However, the bulk of Duma deputies are standing firm, using the Constitution as their ally by giving it their own personal interpretation.

Many deputies do have something to lose. It is no accident that people with a shady past and a no-less-murky present have been and still are eager to get into the Oblast Duma. One former candidate, incidentally, has spent a long time at a remand center. It is not simply an honor to be a deputy, it is also lucrative. Three "servants of the people" are studying on a commercial basis at an international law institute at the Duma's expense. They have only completed one academic year, but the course lasts three years. Heaven forbid that they should have to pay for it themselves! Two extra years in office will be just right for completing their course and getting their diploma.

The Duma leaders have their own problems. Naturally, it would be a pity to have to give up their SAAB 900s — once again, acquired with taxpayers' money at a cost of 235 million rubles.

The other day, in an amazing display of unanimity, the leaders of virtually every party and movement (across the board) in Tula Oblast rose up against the deputies' decision. They include "Russia's Choice," the "Union of the Russian People," "Derzhava," the Liberal Democratic Party of Russia, the Communists, "Russia's Democratic Choice," and the "Russian National Union."

Feeling that the time had come to finally make its own position clear, the oblast administration described the Duma's action as an illegal step violating citizens' constitutional right to elect and be elected to bodies of state power. It proposed that the Duma meet on 16 September. However, Duma Chairman V. Derevyanko refused to issue the instruction to hold the extraordinary session with the agenda "On Setting a Date for Elections" and "On the Election of Deputies to Tula Oblast Duma."

Daily Discusses Elections in Tuva, Adygeya

MK3009120295 Moscow SEGODNYA in Russian 29 Sep 95 p 3

[Unattributed "Provincial Chronicle" report]

[FBIS Translated Text] Kyzyl — The People's Hural of Tuva has passed a law "On the Great Hural," an agency of supreme government power in the republic. Under the law, the Great Hural will be made up of 250 members. Its powers have been considerably broadened. In particular, the Hural can act as an arbiter in disputes between branches of power. Next week, Republic President Sherig-ool Oorzhak is expected to schedule an election for Great Hural members by his edict.

Maykop — A session of Adygeya's parliament has been held in this city. It passed a resolution postponing the election of deputies to the republic's legislature until June 1997. The question was put on the agenda of the session in the wake of the Russian president's edict "On Elections to Russian Federation Bodies of State Power and Bodies of Local Self-Government."

Soskovets on Economic Development in Tatarstan

LD2909202695 Moscow INTERFAX in English 1632 GMT 29 Sep 95

[FBIS Transcribed Text] MOSCOW, Sept 29 (INTERFAX) — The Russian government will adopt a resolution in early October authorizing the creation of a state-owned Rosvooruzheniye company branch in Tatarstan, First Deputy Prime Minister Oleg Soskovets said Friday [29 September]. He spoke at a working meeting on the economic development of Tatarstan.

According to Soskovets, the resolution is currently being drafted by the State Committee on Military-Technical Policy and Rosvooruzheniye.

After the meeting Soskovets ordered the Defense Ministry to pay for all the military trucks it ordered at the Kamaz plant. So far the ministry has paid for only 116 of the 8,000 ordered trucks.

According to Nikolay Bekh, head of the Kamaz joint-stock company, in 12 of the 14 main characteristics the Kamaz trucks fare better than those used by NATO troops.

It was announced at the meeting that the Russian government will also help the Kazan-based Gorbunov aircraft plant to launch the serial production of Tu-204 and Tu-324 planes.

The government will also discuss granting investment tax credit to various Tatarstan enterprises producing equipment of strategic importance.

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Tatarstan Prime Minister Farid Mukhametshin told the meeting that the republic increased oil extraction in 1995 for the first time in the past several years. Tatarstan plans to extract 23 million tonnes of oil in 1995.

The production fall in the republic has been stopped, said Mukhametshin.

Irkutsk Oblast's Privatization Progress Assessed

954F3543A Irkutsk VOSTOCHNO-SIBIRSKAYA PRAVDA in Russian 21 Sep 95 p 4

[Article by Yelena Veselkova of the Sigma Journalists' Association: "Privatization: The Sole Direction of Economic Reform That Has Actually Gone Through"]

[FBIS Translated Text] A news conference on the subject "Cash Privatization" was held on Tuesday 19 September in the oblast administration building.

We are, in the main, past the first stage of privatization—direct corporatization, closed subscriptions, and such—and now blocks of shares, which may be called penultimate (the final blocks are being retained by the state—for three years as yet, subsequently we shall see), are being put up for sale. The methods of the sales, however, remain as before: investment and commercial bidding, the cash auction, and, finally, counterparts of the check auctions—specialized cash auctions for broad strata of the public.

This sales mode merits special mention. Considering the factor of the population in Russia, however paradoxical, being the main investor (in the opinion of Dmitriy Vasilyev, deputy chairman of the Federal Securities Commission), specialized cash auctions should play a considerable part at this stage of privatization. This is at this time virtually the sole way for small investors to purchase enterprise stock. The man in the street may purchase at such an auction securities even of the "biggest" companies—up to and including such oil monsters as LUKoil and YUKOS—the Ust-Ilim [initial letter illegible] PK becomes accessible to inhabitants of the capitals, and the Moscow Yuvelirprom plant, to provincials, and so forth.

The first specialized auctions have already been held in Irkutsk Oblast, and the maximum result was achieved in the sale of 12 percent of the stock of the Irkutsknefteprodukt Joint-Stock Company: The selling price of the stock was 553 times in excess of par value. The income from the sale of the package constituted 9.7 billion rubles [R].

But whereas the sale of blocks of shares for the public via specialized auctions is only just beginning to unfold, sales for big investors have been taking place for a long time. As of 1 September receipts of funds from the sale of state-owned blocks of shares constituted more than R17 billion. The approximate forecast for the end of the year is R19 billion.

Of all methods of sales, the issuers prefer investment bidding. This method contemplates direct investments in an enterprise, but far from every stock company finds its investor. As a rule, the Assets Management Committee and the Property Fund have to look for an investor and persuade him to invest money in this enterprise or the other. According to Olga Rizman, deputy chairman of the oblast Assets Management Committee, all the most attractive enterprises have for the fourth year of privatization long since found their purchaser. If there is a lack of demand, the committee is prepared to make concessions, but if the terms have been accepted and a contract concluded, supervision of its fulfillment is quite strict. Two contracts of sale (for blocks of shares of the Arktika and Angara joint-stock companies) have this year already been canceled on the initiative of the oblast Property Fund.

Nonetheless, it is investment bidding that remains the most practicable and convenient of way attracting investments into production. This year the oblast Assets Management Committee has approved 26 investment programs and attracted $32 million in investments. Before the end of the year this figure is to have risen to $56 million. Among the enterprises whose stock has been sold at investment bidding are the Bratskvodstroy ($4.2 million, investor—the Bratsk Aluminum Plant) and the Baykal Aviation Company ($4 million and R5 billion plus the defrayal of accounts payable to a total of R6.5 billion, investor—the Anglo-Russian Investment Finance Corporation). The plan for investment programs in Irkutsk Oblast is being overfulfilled, and investments today even have constituted 100.2 percent of the schedule. Blocks of shares of several quite large stock companies: The Usolyekhimprom (more than 27 percent), the Sayanskkhimprom, the Korshunovskiy and Igirminskiy mining-concentrating works, the Vostsibelement, and others will be put up for investment bidding in addition this year.

The sales schedule for the fourth quarter includes 48 enterprises. Thirty-seven cash auctions, at which blocks constituting from 5 to 30 percent of the authorized capital, will be presented. This list could be extended by the release of state-owned blocks—the State Assets Management Committee is continuing to form lists of enterprises whose shares were reserved to the state, but which have now been authorized for sale.

The second stage of property distribution is coming to an end. The work force, which received its share of social justice in full in the form of controlling

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blocks of shares, is now parting with them successfully: An effective owner is proving more beneficial than the fact of possession of the controlling block. The biggest and most attractive of enterprises of Irkutsk Oblast have already passed this stage: The outfits of the Irkutskenergo and the Bratsk Aluminum Plant, the oblast Assets Management Committee estimates, now own no more than 10-20 percent blocks of the shares. The same process is now under way at the IAPO. All this still lies ahead for many other of the oblast's enterprises, but it may even now be said with confidence, and this thought was heard at the news conference also, that privatization is the sole direction of economic reform that has actually gone through from start to finish.

Economic Issues

State-of-the-Economy News Conference Reported

MK0310072795 Moscow SEGODNYA in Russian 30 Sep 95 p 1

[Report by Aleksandr Bekker: "There Is No Catastrophe in the Economy, But the Situation in the Budget and Financial Sphere Remains Difficult"]

[FBIS Translated Text] At a news conference yesterday [First Deputy Premier] Anatoliy Chubays shamed the "oracles" from the opposition camp who "predicted early in the year a catastrophe in industry, a plunge of the ruble rate, and a surge in prices in the fall." None of these predictions has come true. In some sectors, such as metallurgy, petrochemicals, and housing construction, there has been perceptible growth. The first deputy premier at the same time did not hide his concern over the decline in the people's living standard compared to last year. The government has already increased by 54 percent as of 1 September the salaries of teachers, physicians, and persons working in various cultural spheres. Revised salaries for those working in the budget-funded sphere come into effect on 1 October, which adds another 30 percent to the salaries of education workers. Finally, a special subsidy of 250 billion rubles from the federal budget has been sent to the regions to be paid to teachers.

Mr. Chubays announced that the government will ask the State Duma to channel all additional budget revenues to fund the military. A presidential edict and government decrees are also in the pipeline permitting authorities to settle up with enterprises of the military-industrial complex for defense orders they have completed this year. According to the first deputy premier, the snag is budget receipts. Therefore, the government "is declaring war" on those fuel and energy complex, metallurgy, and transport enterprises that account for the major part of debts to the budget. Mr. Chubays promised to apply no less rigid measures in the market for alcohol products to block smuggling and the illicit production of liquor in Russia. The same purpose — boosting budget revenues — is served by scrapping, as of 1 October, all privileges in foreign economic activities. Finally, the government sets great store by the sale of shares of privatized enterprises and the auctioning of blocks of shares in pledge for credits to the government.

Among the new things announced by Mr. Chubays, two should be pointed out. First, the Central Bank is completing the drafting of regulatory documents letting foreign investors into the short-term treasury bonds market, which, according to the government's idea, will considerably widen its financial base. Second, the first deputy premier spoke for easing the tax burden on banks and suggested concrete measures.

Economic Head on Russian Economic Achievements

MS0310104195 London FINANCIAL TIMES in English 3 Oct 95 p 11

[Letter by Jochen Wermuth, head of group, macro-economic policy department, economic export group, Russian Ministry of Finance: "Russia Achieving Economic Success"]

[FBIS Transcribed Text] Sir, With regard to your article "Early declaration of victory" (September 27), it has not been my impression that the Russian government is trying to set off a nuclear war "simply by failing to fund" nuclear submarine bases and "hundreds of state programmes". Problems persist in the flow of funds from the centre to the regions and to sectors of the economy. Also, in real terms federal expenditure has been cut by 35 per cent since 1992, causing social hardship in some cases.

Still, I would consider it a great success that, for the first time this year, the government has been able to execute 100 per cent of federal expenditure as specified by law; any additional expenditure will be agreed on in the state Duma.

Similarly, I think that 1995 has, if anything, been characterised by significant structural reforms, a precondition for macro-economic stabilisation, and not by "faltering structural reforms". Namely, foreign liberalisation has progressed at a rapid pace with the abolition of centralised trade at the beginning of the year and the reduction of export tariffs at the end of the year, leading to net gross domestic product gains. At the same time, energy prices have increased by more than 40 per cent in real terms, and, thanks to two large tax packages over the course of the year, energy sectors finally have to pay

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some of their tax bills. Excises were more than doubled over the course of the year to counter lost revenue from export tariffs.

Finally, while privatisation success has been slow, this has not been a sign of faltering structural reform, but, on the contrary, a sign of commonsense fiscal policies. The Russian stockmarket is likely to multiply by a factor of three to 10 in real terms before too long, but is likely to remain relatively depressed before the elections. Thus, for the government to sell shares today would not be intelligent. The loans for shares deal, however, in its final version will have private investors working to increase the value of government stakes and could be used in any textbook on incentive theory.

Committee Reports Foreign Trade Up 20 Percent

MM0210155795 Moscow ROSSIYSKAYA GAZETA in Russian 30 Sep 95 p 14

[Russian Federation State Committee for Statistics report: "Commonwealth Countries' Foreign Economic Activity"]

[FBIS Translated Text] Russia's foreign trade turnover in January-June 1995, including the unofficial trading system, came to $60.4 billion — an increase of 20 percent on January-June 1994. Trade with the countries of the far abroad came to $46.7 billion (up 4 percent).

The CIS countries' share of total Russian trade turnover in January-June 1995 was 23 percent (25 percent in January-June 1994).

Total exports and imports in January-June 1995 are covered by the following figures:

	First half of 1995, billions of dollars	As a percentage of the corresponding period of 1994		As a percentage of the preceding period		
		First Half of 1995	June 1995	First Quarter	Second Quarter	June
Exports	35.6	124	113	93	104	107
	of which:					
countries of the far abroad	28.3	128	119	94	103	108
CIS countries	7.3	110	97	92	104	103
Imports (estimate)	24.8	115	118	73	125	100.1
	(Footnote 1)					
	of which:					
countries of the far abroad	18.4	119	124	74	122	100.4
CIS countries	6.4	106	105	71	133	99.3

The balance of trade was in the black to the tune of $10.8 billion, of which trade with the countries of the far abroad accounted for $9.9 billion (the balance of trade was in the black in January-June last year, with the figures being $7.2 billion and $6.6 billion respectively).

In the commodity structure of exports in January-June this year fuel and energy goods accounted for 45 percent of total Russian exports (48 percent in January-June 1994), with the corresponding figures being 17 percent (16 percent) for metals and metal products, 7.7 percent (6.8 percent) for chemical industry products, 5.0 percent (7.5 percent) for machinery and equipment, and 4.6 percent (3.5 percent) for timber materials and pulp and paper products.

In January-June 1995 Russia exported 58.9 million tonnes of crude oil, which was 1 percent less than in January-June 1994. Of this figure 46.3 million tonnes (2 percent up) went to the countries of the far abroad, while 12.6 million tonnes (13 percent down) went to the CIS countries.

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Natural gas exports came to 98.4 billion cubic meters, or 5 percent more than in the same period last year. Of this figure 60.8 billion cubic meters (11 percent up) went to the countries of the far abroad, while 37.6 billion cubic meters (2 percent down) went to the CIS countries.

Coal exports came to 12.4 million tonnes — an increase of 21 percent. Of this figure 7.9 million tonnes (up 4 percent) went to the countries of the far abroad, and 4.5 million tonnes (up 67 percent) went to the CIS countries.

Exports of other highly important goods (including exports to CIS countries) in the first half of 1995 are given in the following figures:

	Amount	Value (millions of dollars)	As a percentage of first half of 1994 (Footnote 2)	Second quarter of 1995 as a percentage of the first quarter of 1995 (Footnote 2)
Iron ore (millions of tonnes)	7.0	129	118	106
Petroleum products (millions of tonnes)	19.4	1,939	92	226
Ammonia (millions of tonnes)	1.9	230	97	83
Methanol (thousands of tonnes)	491	160	86	55
Mineral fertilizer (millions of tonnes)	7.8	837	118	76
Rough timber (millions of cubic meters)	6.8	457	101	78
Lumber (millions of cubic meters)	1.8	284	73	99.3
Pulp (thousands of tonnes)	631	439	154	102
Ferrous metals	-	2,716	113	62
Copper (thousands of tonnes)	187	457	147	74
Nickel (thousands of tonnes)	60.7	515	137	88
Aluminum (thousands of tonnes)	986	1,430	88	92
Machinery and equipment	-	1,756	82	117
Quick-frozen fish (thousands of tonnes)	588	486	88	120

In the structure of exports broken down by country, most exports went to the European countries (excluding the CIS) — $18.8 billion, or 53 percent of total exports. The CIS countries accounted for 20 percent, while the Asian countries (excluding the CIS) took 17 percent, and America took 9 percent.

In January-May 1995, according to clarified figures, Russian imports including the unofficial trading system, came to $20.1 billion (93 trillion rubles [R]), up 15 percent. These included $15.0 billion (R69 trillion, up 18 percent) from the countries of the far abroad and $5.1 billion (R24 trillion, up 6 percent) from the CIS countries.

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Import volumes of the most important goods (including imports from the CIS countries) in January-May 1995 are cited in the following table:

	Amount	Value (millions of dollars)	As a percentage of January-May 1994
Quick-frozen meat (thousands of tonnes)	321	455	127
Poultry (thousands of tonnes)	262	224	147
Butter (thousands of tonnes)	126	223	135
Citrus fruits (thousands of tonnes)	281	155	84
Grain	-	151	55
Sugar, including unrefined sugar (thousands of tonnes)	1,027	422	109
Alcoholic and nonalcoholic drinks	-	347	98
Medicines	-	386	86
Textiles and knitwear	-	269	62
Leather footwear (millions of pairs)	12.1	88	64
Ferrous metals	-	234	85
Pipes (thousands of tonnes)	455	243	85
Machinery and equipment	-	6,111	137

The most important component in Russian imports is machinery and equipment — making up 35.7 percent of total imports.

Within the total figures for the aforesaid groups of goods, the proportion of imports supplied by countries of the far abroad came to 83 percent for machine building products, 76 percent for foodstuffs, 97 percent for medicines, and 88 percent for clothing.

Footnotes

1. Goods brought into Russian territory by individuals for subsequent sale.

2. Rates quoted on the basis of physical volume.

International Body Analyzes Russia's Energy Sector

MM0310085095 Moscow IZVESTIYA (Financial Section) in Russian 29 Sep 95 p 2

[Report by Denis Kirillov: "The International Energy Agency Urges the Russian Fuel and Energy Complex To Speed Up Reforms"]

[FBIS Translated Text] At the request of the Russian Government the International Energy Agency [IEA] has made an analysis of Russia's energy sector. According to the investigation Russia, producing 13 percent of world energy output, is the second-largest producer of energy products after the United States. In 1994 the fuel and energy complex accounted for approximately 15 percent of the Russian GDP. Exports of energy products last year constituted 45 percent of all currency receipts. Approximately 30 percent of investments were channeled into the energy sector.

The IEA report points out that there are still shortcomings in price formation in Russia's energy sector. Crude oil prices were set free, but coal extraction is still subsidized to a considerable extent. The prices of electricity

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and natural gas remain less than the production cost. In the IEA's opinion, reforms in the gas sector must be carried out as quickly as possible, since 51 percent of supplies of primary Russian energy are based on natural gas, and this figure is growing. The price of gas does not properly reflect the expenditure — which undermines the domestic markets for other types of fuel, particularly coal. Consequently there is a need to further subsidize coal extraction. The IEA's chief recommendation is for domestic gas prices to be set with due regard for all expenditure on delivering gas to various consumers and regions.

Payment arrears relating to power workers' accounts are creating a vicious circle in Russia, into which both suppliers and processors of energy carriers have been drawn, as well as their clients. The IEA approves of the fact that the Russian Government does not protect state organizations when their electricity is cut off. The report proposes the creation of a Reconstruction Bank as one possible solution to the payments crisis. Such a bank could write off debts, revise the schedules for repaying them, or convert to shares payments not made on time by organizations carrying out financial and commercial restructuring with the help of funding by private and share capital.

In some instances the level of taxation exceeds 100 percent of the income of enterprises. As a result they are unable to cover their expenditure, let alone fund investments. The lack of a stable and predictable tax regime also deters investors. The IEA proposes its own version of a more rational tax system. Its main elements are corporate taxes and value-added tax, which already exist; a ceiling on the amount of additional taxes which the regions may levy on enterprises; a tax on windfall income in any but the most capital-intensive production process; a tax on sales of expensive petroleum products to the end consumers (particularly gasoline); a tax on windfall income received, for example, by Gazprom from gas exports (this tax may be increased in line with the increase in domestic gas prices, shifting the emphasis to the domestic market as the source of Gazprom's profits).

Price distortions and an economically unjustified tax policy have an adverse effect on the activity of all investors. The legislative regime is the main guarantee. Russian legislation on mineral resources provides a legal basis for the functioning of the energy sector. A law on the division of output could reduce uncertainty to a considerable degree. The adoption of a law on oil and gas will be equally important. In the IEA's opinion, Russia's fulfillment of the provisions of the Energy Charter treaty will also give support to investors.

The oil sector has undergone the greatest reform. The IEA rates positively the abolition of export quotas, the liberalization of crude oil prices, and the creation of a structure to regulate the operation of pipelines. But there are fears that the newly created large, vertically integrated companies could hinder the access of smaller foreign companies to the Russian oil industry.

The gas sector is the most successful. The main problem in the gas industry is customer payment arrears and the long delays in paying on the part of Ukraine. But the IEA recommends opening up access to Gazprom's pipelines for other extracting companies with a view to creating a competitive environment. Gazprom must be prevented from pressuring local gas distribution companies.

Yuriy Shafranik, Russian minister of fuel and energy, believes that the IEA's recommendations will be taken into account in the course of carrying out reforms. But there are a number of fundamental disagreements on certain issues. The government has no intention of taking hasty, ill-considered steps. In the minister's opinion, it will take at least three years to form the fuel and energy complex and each separate energy company. "Free access to the pipelines" is also impossible today. The first to suffer as a result would be foreign investors who are already working on the Russian energy market. Whereas joint ventures are today extracting up to 14 million tonnes of oil, with "free pipeline access" this figure would fall to 1.4 million tonnes. This would hit the producer since, given such a difference in prices, money would stay in the pockets of intermediaries in the oil trade.

1994 Dropping of Panskov Bribe-Taking Charges Viewed

MM2909134495 Moscow KOMSOMOLSKAYA PRAVDA in Russian 28 Sep 95 pp 1-2

[Article by Igor Chernyak: "Shortage of Untainted Bosses in Russia; Following the Criminal Case of the Present Minister of Finances"]

[FBIS Translated Text] There has been much talk about the case of the former first deputy chief of the Russian Federation State Tax Service, Vladimir Panskov, who was first imprisoned in "Lefortovo" and then vindicated and immediately appointed minister of finances, which post he holds to this day. Such metamorphoses are perhaps possible only in very unsettled times and only in Russia. They say that Yeltsin once took a personal interest in Panskov's fate, after which the prisoner in the investigation cell suddenly and mysteriously found himself in a ministerial post.

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What was the actual reason for his arrest? And why has Panskov, in whose actions the MVD [Internal Affairs Ministry] investigators and the "big shots" from the General Prosecutor's Office saw proof of guilt, avoided legal investigation and been transformed from the accused into the "victim?" Judge for yourselves.

"Evil" Investigator

You remember that in the Russian Federation General Prosecutor's Office there was a senior investigator for particularly important cases, Boris Uvarov, whom Ilyushenko not so long ago removed from the investigation of the murder of Listyev and noisily removed from his job for criticizing him? Well, for a long time it was he who was engaged on the Panskov case. But this entire story was started not even by the General Prosecutor's Office but by the MVD investigators. On 22 June 1992 Internal Affairs Minister Yerin sent a letter to I. Lazarev, Panskov's boss, which stated in particular: "The Russian MVD has reliable information about the conclusion of contract No. 6 dated 10 May 1992 between the Russian Federation State Tax Service with the small enterprise 'Gran-2' for the creation and transfer of scientific and technical output.... In concluding this deal V.G. Panskov, first deputy chief of the Russian Federation State Tax Service, in our opinion used his official position counter to the interests of his service and harmed the state to the tune of 33 million rubles [R]...."

The detectives did not resolve to throw the suspect into prison immediately — he held too lofty a post. Only in March 1993 did Uvarov charge Panskov with repeated bribe taking including on a particularly large scale. And in May 1994 after a lengthy period collecting additional facts there was a new charge which added to the previous one the embezzlement of public property, the abuse of his official position, the violation of the rules for currency operations, and official fraud. Quite a collection, it must be said.

And so Uvarov asserted that Panskov, working as first deputy chief of the Russian Federation State Tax Service, for his own ends had repeatedly taken bribes for helping to exempt the "Avtoselkhozmash-kholding" joint-stock company and the "Viza-audit" joint-stock company from the payment of taxes. According to Uvarov the mechanism was quite simple. For instance, the "GAZ" production association — one of the shareholders of "ASM-kholding," — by a decision of the State Tax Inspectorate for Nizhniy Novgorod Oblast was to pay into the state budget a tax on the money received in 1991 over and above the cost of the output sold, that is on R795,297,824 — a sizable sum at the time. But Panskov included in a letter to his subordinates in Nizhniy Novgorod Oblast a signed order enabling them to review their previous decision. In exchange, again according to Uvarov, he expressed the desire to acquire a passenger car for his son, if possible on the cheap — the difference in cost being met from the funds of "ASM-kholding."

The case then developed as follows.

From the records of the examination compact audio cassettes numbers 1-4 dated 19 May 1992 (criminal case of V.G. Panskov volume No. 10, pp 43-60). Transcript of telephone conversation between Vladimir Georgiyevich (VG) and his son Dmitriy (D) on 21 August 1992:

VG: That is an option. The only one. A new "Moskvich" for R190,000.

D. Fine.

VG. It would be better if it were not in your name.

D. OK. I shall use Dima's name. (Dmitriy Nikolayevich Vaulin).

VG. You won't have any trouble with him afterward?

D. No. I trust him 100 percent.

VG. Then you must get his passport details at once.

Date 16 September 1992.

D. Dima has told me he has bought an automobile and paid R150,000.

VG. Just make sure you don't tell anyone anything (a warning repeated many times during the conversation).

D. I won't tell anyone anything. I shall leave in a few days and we will have a drink to celebrate.

Date 17 September 1992.

D. I have put the plates on the automobile and insured it for R800,000. The price went up again on Monday.

VG. How much will it cost?

d. R625,000.

VG. Keep quiet about it. It is Dima's automobile or you went halves on it.

D. I won't say a word to anyone.

Uvarov also claimed that on 13 October 1992 Panskov who by virtue of his official powers had access to government instruction documents on taxation and the documents adopted on their basis by the Russian Federation State tax Service agreed with Meshcherina, a representative of the "Viza-audit" joint-stock company, on the

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transfer to her of photocopies of these documents. Not for free, naturally.

Transcript of conversation between V.G. Panskov (VG) and M.P. Meshcherina (MP) on 13 October 1992:

MP. Do you feel bad about earning money?

VG. I can't. How can I earn money without working?

MP. Perhaps you could get someone else to register. Register your wife.

VG. No.

MP. No, for reading lectures. But I am only interested in new tax documents and tax letters. Just think, don't say no straight away. Or have you thought about it already?

VG. I have not even thought, to be honest.

MP. You don't want to get in touch?

VG. It isn't that I don't want to, it's just that....

MP. I understand how you feel. But there's nothing to it. You send me a photocopy and that's all (laughs). And it looks as though you have read us a lecture. Not you, your wife.

VG. My wife is not a financial expert.

MP. So what. Who knows that (laughs). You know, I have come into contact with private capital now, I am more flexible, my way of thinking has changed. So you refuse categorically?

VG. No, why? I have to think. It is simply that I am not ready now, to be honest.

MP. Think about it, because it just means photocopies of documents. And we shall register your wife to deliver some lectures. We don't need the lectures, it is simply important to get the documents.

Panskov thought about it for two weeks. And on 26 October during his next meeting with Meshcherina he agreed to register a false labor agreement in his daughter's name. Under this contract for R6,000 T.V. Panskova was supposed to work from 1 November through 31 December 1992 on the translation of specialized literature. The money in two installments — 2 and 29 December — was received by her father who, it is true, honestly paid taxes and trade union dues. After which on 6 January he concluded a new agreement — for the preparation of methodological literature for seminar classes Panskov's daughter was to receive R5,000 a month. In exchange for the next six months her father the deputy minister punctually passed on to his "benefactors" photocopies of the documents they required receiving in total from his "business" with "ASM-kholding" and "Viza-audit" R196,700 — at the time this was on the way to bribery on a particularly large scale.

Panskov was also accused of committing official fraud. In October 1992 he was telephoned by an old acquaintance, A. Korneyeva, chief accountant at the Orel control computers plant named for Rudnev, offering a food processor in exchange for a few services from Panskov to her enterprise. The pedantic Uvarov assessed this as a bribe.

Transcript of conversation between V.G. Panskov (VG) and A.I. Korneyeva (B).

B. You have been wearing us out with instructions lately, we can't work.

VG. If it were up to us the instructions would be laws. What do you want?

B. There was an accounts audit. It gave us a reprimand.

VG. (Looks at documents). They noted an understatement, that is true.

B. They did not allow nonproduction expenses. We paid R945,000 to the budget and then another 776,000 and then a fine of R77,000. We paid tax but don't fine us.

VG. The law is the law. When was the audit?

B. On 21 September.

VG. That means we can put something down for October. So, 19 October 1992, is that OK?

B. I have a present for you.

VG. Please don't bother.

B. Take it, it was made at our own plant. You don't have anything like it.

VG. I'm sure that's true. I have written: "To Ryzhkov. I ask you to examine this question considering the enterprise's financial state and to resolve it on the spot...."

In addition to everything Uvarov uncovered the fact that Panskov had received in two installments "at least 270 German marks" for economic consultations to V. Salnik, the commercial director of the Russian-Japanese association of cultural and business cooperation, and, acting in accordance with the law, had accused him of violating the currency operations rules.

On 3 March 1993 during an interrogation by investigator Fanin Panskov stated: "I want you to accept now my seven-page sincere confession written in my own hand. My conscience, which is not actually clear, has prompted me to write it."

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Panskov was arrested 25 February and put under guard 26 February. Investigator Uvarov dated his decree on the new charge 24 May 1994. But by then very important Russian politicians had become involved in the story.

"Dear Investigator"

Three days after Uvarov had signed the new charges by a decision of Ilyushenko he was removed from the investigation and the Panskov case was taken on by Investigator R. Tamayev. In contrast to his predecessor he did not spend long thinking: With the same facts to hand as Uvarov he came to directly opposite conclusions.

According to Tamayev the automobile for Panskov's son could not be viewed as a bribe. After all, according to the suspect's assertion, he believed he was being done a good turn: The proposal to register the purchase in a different name did not come from him, he merely failed to object and in his signed order in the letter to the state tax inspectorate for Nizhniy Novgorod Oblast what he had in mind was an instruction to examine the question in accordance with legislation and he did not know and was not interested in how they resolved the matter locally. Gornev, chairman of the "ASM-kholding" joint-stock company, asserts that Panskov never discussed any reward and on learning that a misfortune had occurred in the Panskov family — his son's automobile had been stolen — he considered it necessary to help him acquire a new one. According to Gornev he believed that in this way on behalf of the joint-stock company he was paying for Panskov's work in taking part in the creation of this structure. And the repeal of the tax on the "GAZ" production association was not illegal — tax legislation at the time made it possible to act according to the circumstances in such cases.

According to Tamayev the payment by "Viza-audit" for the fictitious services of Panskov's daughter was not a bribe. As proof the investigator cited the words of Meshcherina (under examination by investigator Uvarov for giving bribes) about how this was payment for a man who had greatly benefited the joint-stock company: On the basis of documents received from Panskov Meshcherina had "skillfully explained tax policy to the taxpayers." Mikheyev, president of "Viza-audit," in turn stated that it was possible without any problems or violation of financial discipline to pay Panskov far more for his documents because in his opinion no one here was pursuing any self-seeking goals.

As a result Investigator Tamayev concluded that Panskov, in giving consultations on the creation of the "ASM-kholding" joint-stock company and issuing photocopies of government documents to the "Viza-audit" joint-stock company had acted as a private individual, not an official, expanding his own labor and personal time: The work attributed to him had indeed been done, no one had been harmed; self-seeking and other personal motives were not present.

The charges against Panskov of assisting chief accountant Korneyeva in deferring the payment of fines imposed on the plant by the local tax inspectorate and the food processor worth over R10,000 received in exchange Tamayev dismissed for lack of evidence. He concluded that Panskov's signed order in the letter to the Orel state tax inspectorate did not mean pressure on his subordinates and so there was no evidence of a crime. Incidentally, they did not manage to find the unfortunate food processor — Panskov in time began to claim that he had never received it and Korneyeva that she had not given him anything as a gift.

Tamayev also found no evidence that Panskov had been involved in illegal currency operations and received "at least 270 German marks" for helping the Kursk leather plant obtain a credit from the Russian Federation Ministry of Finances. Panskov's own "sincere confession" that he had indeed received currency "for consultations" was assessed by Tamayev as a false confession without corroboration.

Which investigator was right — Uvarov or Tamayev? Whose arguments are sounder — those of the tough champion of legality or those of the soft philanthropist capable of "empathizing?" The answers to these questions could probably only be given by a court — an independent and impartial one. But there was no trial. On 25 July 1994 Panskov was released and with his best wishes received from investigator Tamayev notification that henceforth he has the right to demand compensation for the damage caused to him by the illegal actions of officials (read investigator Uvarov) in their execution of their official duties and also the return of his former job or one of the same value in the Russian Federation State Tax Service. As we know, this was already superfluous — Panskov had been sent to command the Russian Federation Ministry of Finances.

The Law Is What You Make It

Just think, Panskov helped his business friends avoid fines for nonpayment of taxes, bought a cheap automobile for his son to replace the stolen one, and organized a salary for his daughter when she was not working. What trivial matters — nowadays deals involving a million dollars make people yawn because they are so insignificant. And one could consign this matter to oblivion but it is giving the restless acting general prosecutor no peace: With striking persistence he is trying

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to persuade the masses that a very honest man has almost been ruined. In a recent interview Ilyushenko was really seething with anger: "The Panskov case is so trivial and troublesome that it is unpleasant to read. After it for the first time I doubted the professionalism of the state security services...."

It is notable that the acting general prosecutor was not immediately so unequivocal. At first he transferred the case from Uvarov to Tamayev and then helped to "close" it but at that time he had not yet gotten as far as Panskov's complete rehabilitation. Hence his protest in connection with the latter's appointment as minister of finances: "On the basis of the indicated facts the investigation organs did not establish that there was a case to answer but it was noted that signs of official fraud can be discerned in Panskov's actions."

In 1995 these signs have been definitively erased....

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International Affairs

Report on EU Commission Envoy Kharkov Visit

WS0210151595 Kharkov VREMYA in Russian 23 Sep 95 p 1

[Report by V. Yasynskyy: "EU Envoy Trod on Our 'Corn'"]

[FBIS Translated Text] **The European Union is interested in the rebirth of your region's industry, but under the conditions of restructuring and a definite transfer to a market economy, said Louis Morino Abbaty, envoy of the EU's executive body — the European Commission — to Ukraine.**

During two days — 18 and 19 September — the delegation visited Kharkov, where it was familiarized with the progress of economic reform in various areas of activities. The aim of the visit was briefly characterized by Mr. Abbaty: "to convince your leadership of the necessity of market changes." Journalists were given to understand that there are no cracks in relations between the West and Ukraine.

Frankly speaking, I am not so sure that our leadership has to be convinced of something which very probably they do not doubt. Reform is being implemented, although it is sluggish and conducted at a slow pace. The envoy as well as other members of the delegation had an opportunity to become convinced about it visually and in the form of documents. They had the opportunity to be convinced of the high potential of our region as well as of the high professional skills of those who work in the oblast's industrial enterprises.

Journalists were interested in the question: What kind of specific assistance will the EU render to Ukraine, particularly to Kharkov Oblast? Answering to this question, envoy Abbaty said that according to one of the programs approved in April 1995, $100 million should be allocated for Ukraine. An additional $500 million is envisaged in the form of credits and grants. However, there is a need for financial stabilization to make domestically produced commodities competitive on the European market.

A proposal for establishing an enterprise by one of the Italian companies jointly with our "Monolit" looks promising. The joint venture will produce modern medical equipment for which there is great demand by our medical institutions. However, in Mr. Abbaty's opinion, the conversion of "Monolit" should be accelerated. Also its employees should be taught to regard their work with a more responsible attitude.

Our guests noticed with satisfaction that the project developed by Ukraine jointly with Germany, Austria, and Greece has been successfully implemented in the Kharkov-based Polytechnic University. An economic faculty has been established there, staffed by 14 professors and around 60 candidates of sciences. Economists will undergo training in line with a European-standard program. Further, they will be directed to the EU states for training. After the completion of training, they will be able to work in joint enterprises, firms, and companies.

Mr. Abbaty concluded that a great future awaits our country. All we have to do is follow the chosen course and pursue an appropriate economic policy.

Well, if you only knew, esteemed envoy that you trod on our corn! An appropriate economic policy and not an influx of dollars is exactly the thing that we lack the most. If there were an appropriate economic policy, certainly we would not need your assistance. However, for the time being, once again we are waiting for Europe's assistance.

Journalists Infer No Yeltsin-Kuchma Summit This Year

AU0310072595 Kiev HOLOS UKRAYINY in Ukrainian 29 Sep 95 p 1

[Unattributed report: "Ukraine — Russia: Competitors or Opponents?"]

[FBIS Translated Text] At a scheduled news conference held by Dmytro Vydrin, presidential adviser for issues of domestic policy, at the Ukrainian Presidential Administration, problems of cooperation with CIS countries were mainly discussed. Referring to the Ukrainian-Russian partnership as a natural phenomenon, he pointed out that competition between these countries is also a natural phenomenon.

At the same time, in view of the interpretation given to this "competition" from the point of view of the Russian Presidential edict "Russia's Strategic Course With Members of the Commonwealth of Independent States," journalists inferred that, this year, the summit of the heads of the two states will not take place. So far, the dialogue with the Russian Federation resembles a dialogue with opponents rather than with competitors.

Belarus President Viewed as Kiev-Moscow 'Mediator'

WS0210143395 Kiev KIYEVSKIYE VEDOMOSTI in Russian 26 Sep 95 p 2

[Commentary by Serhiy Nesterenko: "Why Did Alyaksandr Lukashenka Visit Kiev?"]

[FBIS Translated Text] The arrival of the Belarusian president was to some extent a surprise for the

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Ukrainian leadership. The unexpectedness with which Mr. Lukashenka, at his own initiative, came on an unofficial working visit to Kiev has led to some confusion: Leonid Kuchma was in Chyhyryn where Bohdan Khmelnytskyy's 400th anniversary was being observed; thus, Kuchma could not personally meet his Belarusian counterpart [at the airport]. Presidential Administration Head Dmytro Tabachnyk fulfilled this mission. The meeting of presidents, however, was held only late in the evening. Such a reception of the Minsk guest looks quite symptomatic, if one pays attention to the aims of his visit.

Mr. Lukashenka personally announced his aims already at Boryspol airport: to discuss the changes in the customs system between Ukraine and Belarus; to convince Leonid Kuchma of the advantages of creating the so-called Slavic triangle comprising Russia, Belarus, and Ukraine; and to discuss, in collaboration with the Ukrainian president, the fulfillment of previously signed agreements between Minsk and Kiev. If one considers that for Lukashenka Ukraine's joining the customs union (comprising, in addition to Belarus, Russia and Kazakhstan) would become an ideal option for changing a customs system on the Ukrainian border, it becomes obvious that the primary aim of the Belarusian president's visit was to encourage the Ukrainian leadership to strengthen Ukraine's integration with Russia and its allies.

Ukraine's leaders, however, who on integration issues definitely adhere to the principle "do not harm national interests," perhaps did not have a special desire to discuss these problems. Therefore, as Leonid Kuchma said to journalists, "no trilateral unions have been discussed at the meeting with Mr. Lukashenka." As regards the customs union, in Aleksandr Lukashenka's opinion, Ukraine and Belarus will sooner or later come to the removing of customs posts on their borders. In response, Leonid Kuchma only said in the abstract: "We should move in this direction," and immediately stressed that "the mechanisms of the customs union are not quite efficient so far, its equality is only on paper." Both presidents, however, were satisfied with the resolution of problems in Ukrainian-Belarusian economic relations.

In general, Mr. Lukashenka's visit to Kiev did not have either particular importance or particular consequences. There is, however, an interesting nuance: Lukashenka came to Ukraine immediately after his meeting with Boris Yeltsin and several days after the signing of the "Russia's Strategic Course on the Development of Relations With CIS States." This document is de jure testimony that the policy pursued by Moscow is aimed at transforming the CIS into a powerful union in which the primary role is given to the Kremlin.

In this context, it is logical to assume that Moscow will try to use the Belarusian president as an informal mediator in its relations with Kiev. Why? Well, for example, a kind of unbiased [as published] statement aimed at exerting pressure on Ukraine could cause a negative reaction from the world community if it is officially issued by the Russian leadership. Precisely the same statement issued as a recommendation from a third party will not cause any fuss but will be no less effective.

Anyway, this is only a guess. One thing is obvious: Mr. Lukashenka'a visit confirmed that Ukraine remains committed to its strategy: Bilateral relations are more effective than CIS internal contacts. Any integration is possible only if it does not harm our national interests.

Moroz Meets Kuwaiti Delegation on Oil Purchase

LD0210150795 Moscow ITAR-TASS World Service in Russian 0949 GMT 2 Oct 95

[By ITAR-TASS correspondent Mikhail Melnik]

[FBIS Translated Text] Kiev, 2 Oct — "If Kuwait is interested in selling its oil, then means for its transportation to Ukraine will be found," said Oleksandr Moroz, chairman of the Ukrainian Supreme Council. "Ukraine is badly in need of alternative sources of energy," he said at today's meeting with a delegation of the National Assembly of Kuwait led by Deputy Speaker Salih al-Fudalah. According to Moroz, one way of doing this is to build an oil terminal in Odessa, where the oil can be delivered by tankers. The other would be to lay an oil pipeline through Syria and Turkey.

The Kuwaiti side responded well to the Ukrainian speaker's suggestion. As Salih al-Fudalah said, after the Iraqi aggression, Kuwait lost many customers. Thus the country is very interested in new markets to sell its oil. Moreover, he emphasized, Ukraine has great capacity for making the necessary equipment and pipes.

The two sides also discussed the possibility of collaboration in building machine tools, heavy machinery, and aircraft. To lay the necessary legal foundation, they agreed to form a joint Kuwaiti-Ukrainian parliamentary commission.

The Kuwaiti delegation today continues talks with members of the Ukrainian Government.

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Discuss Building Oil Pipeline From Kuwait

LD0310090195 Moscow INTERFAX in English 0157 GMT 3 Oct 95

[FBIS Transcribed Text] KIEV, Oct 2 (Interfax-Ukraine) — Ukraine plans to implement a project involving the construction of an oil pipeline from Kuwait via Syria and Turkey, Ukrainian Parliamentary Chairman Oleksandr Moroz said Monday.

Moroz told Kuwaiti National Assembly Deputy Chairman Saleh Usef Al-Fadale [name as received] in Kiev Monday that "52-million Ukraine [as received] cannot have only one source of oil supply."

For his part, Al-Fadale said that "Ukraine has a modern oil production basis and could participate in the reconstruction of Kuwait's oil industry." "Kuwait is ready to supply Ukraine with oil and gas in the settlement for Ukrainian products and services," he added.

Al-Fadale also supported developing bilateral cooperation in aircraft and ship-building, metallurgy and agriculture.

Al-Fadale officially invited Moroz to visit Kuwait during the course of the meeting.

Kiev, Kuwait Discuss Opening Embassies

LD0210175295 Kiev UNIAN in Ukrainian 1545 GMT 2 Oct 95

[FBIS Translated Text] Kiev — The Ukrainian Government should promote the soonest possible opening of a Ukrainian embassy in Kuwait that will provide an opportunity for the problem of relations between the two countries in various areas to be resolved more successfully. One of the priority tasks is to inaugurate a direct air route between Ukraine and Kuwait. This was stressed by Salih Yusuf al-Fudalah, the deputy speaker of the National Assembly of Kuwait [name and title as received], at a meeting with Vasyl Yevtukhov, Ukraine's deputy prime minister for issues of the fuel and energy complex, today.

Yevtukhov noted that many issues connected with Ukrainian-Kuwaiti relations are not being resolved because of the absence of a mechanism of interaction. He supported the need to open a Ukrainian embassy in Kuwait.

Al-Fudalah mentioned that a preliminary agreement was reached with Ukrainian deputies on working together to promote the release of Kuwaiti citizens from Iraqi prison camps and Ukrainian citizens from Afghan camps.

The issue of oil deliveries to Ukraine was not raised at the meeting with Ukraine's deputy prime minister for the fuel and energy complex.

Saskatchewan Premier, Marzguk Discuss Cooperation

LD0210134295 Kiev UNIAN in Ukrainian 1300 GMT 2 Oct 95

[FBIS Translated Text] Kiev — Our state is interested in cooperation with Canadian companies in oil and gas prospecting and extraction in Ukraine, Ukraine's Prime Minister Yevhen Marchuk said at a meeting with Roy Romanow, the prime minister of the Canadian province of Saskatchewan.

Marchuk pointed out that Ukraine pins its hopes on assistance from Canada, as one of the G7 member states, in closing down the Chernobyl nuclear power station.

The Ukrainian prime minister told Romanow that the implementation of two large-scale projects — "Gold of Ukraine" and setting up independent production of nuclear fuel for nuclear power stations — has gotten under way in Ukraine. He also gave assurances that the agro-industrial complex will undergo further transformation.

The prime minister of Saskatchewan showed interest in cooperation with Ukraine in power engineering, agriculture, education, and culture.

Kuchma, Finnish Leader Want 'More Trust, Fewer Borders'

AU0210120595 Kiev HOLOS UKRAYINY in Ukrainian 28 Sep 95 p 2

[Unattributed report: "More Trust and Fewer Borders"]

[FBIS Translated Text] Ukraine is interested in developing bilateral mutually advantageous relations with Finland, especially in such spheres as science and education. Ukrainian President Leonid Kuchma stated this today [28 September] during his meeting with Mauno Koivisto, president of Finland and former head of state, who arrived in Kiev to take part in the international seminar "Ukraine — North Council: Prospects for Cooperation in the Context of European Integration." The twc statesmen discussed the question of the future of Europe, Finland's relations with Russia, and the expansion of NATO. Everything must be done to see to it that there is "more trust and fewer borders" and that Europe is not divided into zones of influence, said Leonid Kuchma. He also pointed out that the situation on the continent will largely depend on what path of development Russia embarks upon following elections there.

Mauno Koivisto said that the visit of the head of the Ukrainian state is awaited in Finland and that preparations are under way.

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Communique Issued on Polish-Ukranian Relations

WS0310094395 Kiev INTELNEWS in English 0039 GMT 3 Oct 95

[FBIS Transcribed Text] Kiev, Oct. 2 — Ukraine and Poland want to "achieve a real breakthrough in bilateral relations," the presidential press service said Monday.

A consultative committee to both countries' presidents issued a joint communique after its three days of meetings in Warsaw last week.

The communique stated that Ukraine and Poland, using their countries' potential, desire to put mutual relations onto a new quality level appropriate to the character of their strategic partnership.

The document also stressed the need to look for new approaches to the bilateral strategic partnership. The communique proposed formation of a joint Ukrainian-Polish military unit to take part in peace-keeping operations.

Creating a free trade environment and economic cooperation in common border regions between Ukraine and Poland were also covered in the document.

The committee also discussed possible NATO expansion and its effects on both countries as well as European security and each nation's relations with Russia.

Future political consultations between the Ukrainian and Polish Foreign Affairs ministries were outlined. Cultural development and minorities issues also found time in the committee's discussions.

Committee co-chairmen Volodymyr Horbulin and Andrzej Ananicz were received by Polish President Lech Walesa and Parliament Speaker Jozef Zych.

National Affairs

Analyst on Significance of Joining Council of Europe

AU0210121195 Kiev MOLOD UKRAYINY in Ukrainian 28 Sep 95 p 1

[Commentary by Ihor Tanchyn, the "Heneza" Political Science Center: "The Council of Europe: Where Have We Been Admitted and How Have We Been Greeted?"]

[FBIS Translated Text]

On 9 November, the Ukrainian Flag Will Be Hoisted in Strasbourg Alongside Flags of 37 European Coruntries

Ukraine's admission to the Council of Europe has recently become almost a top-priority issue in Ukraine's external policy. Nevertheless, the significance of the Council of Europe as a structure that determines the main trends of European policy (military, social, or economic) gives rise to doubts.

The Council of Europe, as an institution, falls, in fact, into the category of one of the numerous bureaucratic structures that have emerged as a result of the activity of "Eurocrats" over decades of integration processes in Europe. This organization presently coexists with such European structures as the European Union, the Western European Union, the European Parliament, and the OSCE. It is therefore obvious that the Council of Europe cannot have a decisive influence on international European affairs. However, the value of the Council of Europe for post-totalitarian states lies, first and foremost, in the very fact of membership of this organization rather than in the implementation of actual steps in the international arena. On the one hand, this seems to be a logical nonsense and, on the other hand, the participation of any Eastern European country in such a structure is yet another step on the path of integration within the Western community. In the given case, it is of interest that Russia has been trying to join this organization for three years. However, in view of the processes that have been destabilizing the Russian Federation from within (this is primarily the war in Chechnya), discussion of the Russian Federation's request for joining this institution has always been postponed. It was stressed at the fall session of the Parliamentary Assembly that the holding of democratic elections in our country in 1994, the signing of the Constitutional Accord between the president and parliament, and the resolution of the problem of the status of the Crimea made it possible to admit Ukraine to the Council of Europe. Ukraine had fulfilled all the conditions that the organization sets all of its prospective members, and the results of the voting on its joining the Council of Europe had been more than convincing — not a single vote "against."

Even though in reality, as some analysts point out, for the West, the program for economic reforms in Ukraine looks much more attractive than the course of reforms proper, not to mention their results.

For new European independent states, the admission to the Council of Europe is like a kind of test of maturity and a step toward the European Union.

Of interest with regard to the above is the recent statement by Mr. [Vladimir] Lukin, chairman of the Russian State Duma Commission for Issues of Foreign Policy. He said at a recent news conference in Moscow that Ukraine had applied to join the Council of Europe later than Russia had and that Ukraine does not yet have its own Constitution. However, Mr. Lukin timidly skipped the fact of tackling the Chechen problem on the

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territory of the Russian Federation by force, whereas Ukraine is not involved in any armed conflicts.

It is true, though, that following the session in Strasbourg, the Russian delegation apparently changed its attitude, and some of its members even stated that, unfortunately, they could not vote for Ukraine, because they were not yet members of the Council of Europe.

Now they are talking business.

Official Warns Against Abandoning Neutral Status

LD0210180195 Moscow INTERFAX in English 1600 GMT 2 Oct 95

[FBIS Transcribed Text] KHARKOV, Oct 2 (Interfax-Ukraine) — If Ukraine abandons its neutral status, it will inevitably lose its sovereignty, Vladimir Mukhin, head of the Ukrainian parliamentary Defense and State Security Commission, said Monday.

In an interview with an Interfax-Ukraine correspondent in Kharkov he expressed his concern that Ukraine could find itself "jammed between two blocs." However, he said Ukraine will stick to its neutral status as long as possible "because it allows Ukraine to conduct an independent policy."

Mukhin believes that Ukraine's tolerant attitude toward the idea of NATO eastward expansion stems from its right to build its relations with the Alliance independently.

Speaking about CIS countries' reaction to the idea, he said that Belarus, Kazakhstan and Tajikistan may join Russia to set up a military bloc. Other CIS countries "are more likely to opt for milder forms of cooperation," said Mukhin.

"Ukraine will not agree to participate in such an alliance," he said.

However, European security cannot be built if Russia's interests are not taken into consideration, said Mukhin. Ignoring Russia's interests threatens another division of Europe into two hostile camps.

Kiev Meets Schedule For Withdrawal of Warheads

LD0310090695 Moscow INTERFAX in English 0829 GMT 3 Oct 95

[FBIS Transcribed Text] KHARKOV, Oct 2 (Interfax-Ukraine) — Ukraine is meeting the schedule for warheads withdrawal to Russia despite financial difficulties, Vladimir Mukhin, head of the Ukrainian parliamentary Defense and State Security Commission, told Interfax-Ukraine in Kharkov.

He said that to date Ukraine has received no more than $60 million of the $350 million promised in U.S. financial aid.The Ukrainian budget is carrying the burden of paying for the withdrawal, said Mukhin.

However, Ukraine will fulfill its obligations and implement all the provisions of the START and Nuclear Nonproliferation Treaty, he said.

Ukraine must complete the withdrawal to Russia of all warheads deployed on its territory since the time of the Soviet Union, in accordance with the statement signed by presidents of Ukraine, Russia and the U.S. in Moscow in January 1994. In exchange for the withdrawn warheads Ukraine receives fuel for its nuclear power plants.

Country Joins Five European Conventions on Crime

AU0310094695 Kiev HOLOS UKRAYINY in Ukrainian 29 Sep 95 p 2

[FBIS Editorial Report] Kiev HOLOS UKRAYINY in Ukrainian of 29 Sep 95 publishes on p 2 a series of five laws signed by Ukraine's Supreme Council Chairman O. Moroz in Kiev on 22 September. The laws pertain to Ukraine's joining the following European conventions: the 1959 Convention on Mutual Assistance in Criminal Cases; the 1964 Convention on Surveillance Over Criminals With Suspended Sentences and Those on Probation; the 1983 Convention on Extradition of Sentenced Persons; the 1957 Convention on Extradition of Criminals; and the 1972 Convention on Transfer of Legal Procedures in Criminal Cases.

Council of Regions Discusses Government Action Program

LD0210174695 Kiev UNIAN in Ukrainian 1545 GMT 2 Oct 95

[FBIS Translated Text] Kiev — The Council of the Regions began work at the Ukrainian president's administration on 2 October. According to President Leonid Kuchma, it is going to produce specific additional proposals to the government's action program, which parliament is to examine on 5 October. In the Ukrainian president's opinion, the draft program "will be adopted by deputies with serious observations."

Roman Shpek, Ukrainian deputy prime minister for the economy, said at the Council of the Regions session that the proposed government draft program proceeds above all from the premise that "traditional methods of macroeconomic regulation should be employed in specific situations." According to him, this applies, in the first instance, to preparations for the winter period, the carrying out of comprehensive work in agriculture, and social welfare for the poorest.

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Roman Shpek noted that the government's draft action program focuses on provision for the stabilization of production, overcoming the arrears crisis, restraining inflation, and monetary and credit policy.

One-Day Warning Strike Observed by Donbass Mines

LD0210143495 Kiev UNIAN in Ukrainian 1230 GMT 2 Oct 95

[FBIS Translated Text] Donetsk — At 183 of Donbass's 240 coal enterprises work to extract coal and blow through coal faces was not carried out today; 14 mines worked normally on the first shift, and 43 worked without despatching coal to consumers. The UNIAN news agency learned this at the central Trade Union of Coal Industry Workers.

More objective data on mines' support for the general one-day warning strike, called by the trade unions for today, will be known after the second and third shifts report for duty.

The Gorlovka machine-building plant, which produces complex mechanisms and equipment for mines, and which recently became a joint-stock company, is not taking part in the strike. The plant's chief engineer, Volodymyr Yurhylevych, told the UNIAN agency that this was the decision of the work force, which understands that "in the current financial and economic conditions a strike, a halt in production, is a path leading straight to the destruction of an enterprise."

As has already been reported, the strikers' main demands are the timely payment of wages and financial support for the coal sector by the state.

Economic Issues

Decree on Foreign Investments by Residents

WS0210131695 Kiev INTELNEWS in English 2013 GMT 1 Oct 95

[From the INTELNEWS "Economic Review" "In Focus feature:" "Presidential Decree on Investments of Property Valuables Outside of Ukraine by Residents"]

[FBIS Transcribed Text] In order to protect the foreign economic interests of Ukraine and according to part two of Article 25 of the Constitutional Agreement between the president and Parliament of Ukraine "On the major terms of organization and functioning of state powers and local administration up to approval of the new Constitution," I [President Kuchma] enact:

1. To state that residents may invest property valuables outside Ukraine for the purposes of:

introduction to the authorized funds of enterprises formed abroad;

transfer to affiliates, representative offices and other separate branches for fulfillment of their task.

2. Investments abroad can be carried out in the form of possession rights and property, except raw materials, components and spare parts, consumer goods, as well as those classified as highly liquid by current legislation and export of which is subject to licenses, quotas or special condition.

Any property, according to this article, is appraised in hard currency on the basis of world markets prices.

3. Investment of property valuables outside Ukraine is subject to licensing.

The individual licenses for such investment are issued by the Ministry of Foreign Economic Relations and Trade of Ukraine.

4. To state that sale of valuables invested in accordance to the current decree is goods export and hard currency earnings acquired is subject to depositing to residents' accounts in authorized banks in terms of debts clearing, stated in the contracts, but not later than 90 days after signing the act or other document certifying the sale of valuables.

5. The current decree has no effect on currency valuables investments outside Ukraine.

6. The Cabinet of Ministers of Ukraine:

to approve, within two weeks, the regulation on the order of issuing individual licenses for valuables invested by residents outside Ukraine and the regulation on the order of control and accounting on property valuables, invested outside Ukraine.

7. Ministry of Foreign Economic Relations and Trade of Ukraine to provide the State Customs Committee of Ukraine with information on individual licenses for property valuables investment by residents every month.

8. The State Customs Committee of Ukraine:

to provide customs services and transit through Ukraine's customs border for property exported by residents for investment according to the current decree, only upon presentation of individual licenses, issued by the Ministry of Foreign Economic Relations and Trade of Ukraine;

to provide quarterly the National Bank of Ukraine, respective authorized banks, Ministry of Foreign Economic Relations and Trade of Ukraine, Statistics Ministry and the Chief State Tax Inspector with data on

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customs declarations filled in accordance to the above-mentioned licenses.

9. The Chief State Tax Inspector, in case of violations of current legislation on returning income, dividends and other hard currency revenue, earned by residents while carrying out investments mentioned in the current Decree, to supply requests to the Ministry of Foreign Economic Relations and Trade of Ukraine on application of penalties according to Article 37 of the Law of Ukraine "On foreign trade."

[Signed] President of Ukraine Leonid Kuchma
Kiev September 13, 1995 #839/95.

Deputy Prime Minister Interviewed on Economy

WS0210131095 Kiev INTELNEWS in English 2127 GMT 1 Oct 95

[From the "Economic Review" feature: Interview with Deputy Prime Minister Anatoliy Kinakh, by Andrey Yevtushenko; place and date not given—first two paragraphs are INTELNEWS introduction]

[FBIS Transcribed Text] Anatoliy Kinakh has some bitter medicine and observations of Ukraine's economy that are difficult to swallow: Striking miners do nothing but injure a bad situation and government credits to industries can't be handed out like candy. Parliament and the executive need to get a grip on the non-payment crisis, he said.

But he musters some bitter optimism when he says there should be bankruptcy laws for industries that can't make it.

[ECONOMIC REVIEW] Which branches of industry and which ministries do you oversee?

[Kinakh] Now we are working over the Cabinet of Ministers structure formation. It is not defined yet but will soon be approved. After that, all the functioning and branch ministries that are subordinate of this or another vice-premier will be defined.

Presently I can speak of my duties related to the following ministries and administrations: Industrial Ministry, Ministry of Machine-Building, Military-Industrial Complex and Conversion, light industry and building complex, Transport Ministry, Ministry of Communications, State Dwelling Committee and, perhaps, State Science, Technical and Industrial Politics Committee, Standardization Committee and a number of other committees. ...

[ECONOMIC REVIEW] With which vice-premiers do you have the most contact?

[Kinakh] There are quite tight contacts with the Energy-Fuel Complex Vice-Premier V.Yeutukhov; energy, R.Shpek and, perhaps this will seem strange, with Agriculture Complex Vice-Premier P. Sabluk, considering one of the most critical problems is connected to agriculture machinery building.

Machinery wear (both in plant-growing and cattle-breeding) makes up at the present time more than 60 percent and in some cases it is even higher. There may be the situation, when we sow something rather exemplary but don't have sources to reap the harvest. We are to solve a very difficult problem: to use the given scientific and technical potential for competitive agriculture machinery producing. Economic methods are to help us.

[ECONOMIC REVIEW] Nearly as soon as you took your place you had to extinguish the pre-strike situation at the uranium mines in Zhovti Vody then a threatened strike by coal-miners. But the failure to pay miners has not vanished and this seems to be the biggest evil.

[Kinakh] The industrial crisis and the failure to pay is systematic. These are the energy supply problems, problems in the structural changes, the set of questions connected to the fact that many enterprises are simply uncompetitive. Also labor payments and economic reformation providing in general.

Speaking about the definite situations that you mentioned, it is important to remark the following: uranium ore mining is one of our priorities, the problem, concerning the necessity of a nuclear fuel processing cycle creation...

About the coal industry, we have to realize that in general the problem is connected to state economic security. Ukrainian energy dependence on foreign deliveries — Russia and Turkmenistan — is so great that it creates conditions for attempts to influence our politics. Coal is the only natural energy fuel that we have sufficiently; we own deposits for 400 years. ...

We rendered the maximum assistance in current problems solving, at the same time miners have to understand that the problem we're dealing with is serious, long-term work and the result may be reached only on the base of joint coordinated actions.

And it is a big mistake to think that the situation can be corrected by strikes and ultimatums. The strikes in the places where work is still possible will worsen the entire thing and the same problems will stay. But their solution will get even more complicated.

The non-payment crisis is caused by a set of factors, among which is the absence of structural changes in

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industry, high energy and material consumption per unit of produce by our industry, deficiencies of taxation legislation and financial and credit policy — problems of separate enterprises themselves.

So it is a complex problem with a complicated structure and it has to be solved only by a rational approach. Concerning the perspective of overcoming the non-payment crisis, there's no way the government will try to solve the non-payment problem by an emission — there will be no liquid funds indexing. ...

The non-payments got to the level when the current debts of enterprises, even in case of normal work, gives no chance to conduct perspective industrial work, to provide the necessary amount of liquid assets; so, we have to determine the structure of the indebtedness.

Earlier the president signed the order introducing the term "hopeless debts," and after determining such debts the interest for these debts are to be either written off or restructured, delaying them for a greater payment term. The other part of work is to figure out what is what in this indebtedness, try to restructure it and thus to let enterprises to get a stronger financial basis, not by emissions but by their own industrial activities. Let them acquire liquid assets and become able taxpayers and debt payers.

Maybe we will suggest Parliament allow enterprises, in 1996, to transfer part of their profits fulfill liquid assets, provided this part of profit will be exempt from taxes.

[ECONOMIC REVIEW] Will Parliament go for it?

[Kinakh] Of course. Balance with the budget has to be found, as everything is mutually bound. Also we have to figure the structure of fines and penalties as this load on enterprises is made up and has no material basis.

So, the entire complex of measures has to be taken but these have to be exact and properly aimed. Imagine, there is an enterprise working efficiently but having to cut on salary to be able to develop its production, not taking credits and next door there is a non-effective plant, having huge debts and now all these debts are to be written off and this enterprise goes free. So, who is punished here?

We cannot let things like these happen. Generally, the non-payments problem solution will take awhile but it is the task of the government and Parliament to regulate, impose, effect and create the rules for stimulating production of competitive goods and services. This is the kind of problem requiring structural changes in the economy, increasing its efficiency and the latter can be achieved, for instance, by privatization.

The non-payment crisis is also tied to the problem of improving financial support. For example, credits provision to enterprises — this mechanism is currently idle. Commercial banks, looking at the state of some enterprise and knowing that the credit will not be repaid, just gives up the idea of cooperation with it.

Unfortunately, only 12 percent of the enterprises, listed in the improvement protocols got credits. Eight-eight percent got refusals, which is not normal and which means that the state does not control the situation anymore.

If the government has overview of the business-plan, technical and economic calculations and took a decision on improvement of such an enterprise, it has to get credit support. We are working on the mechanism, which will eliminate the possibility of refusals in such situations.

Finally, the talk is not on providing free financial support but about long-term investments for these commercial projects with repayment of credits and interest.

[ECONOMIC REVIEW] Are these credits planned for state-owned enterprises only? And who will provide the credits? Only commercial banks?

[Kinakh] It has to be planned for enterprises of all types. The credits will be provided by the commercial banks and additionally, the state budget for 1996 has the list of priority state investment programs, which will be partially funded from the budget. Everything else will go from commercial banks. The budget is not a credit establishment.

[ECONOMIC REVIEW] So, bankruptcy of some enterprises has to be expected?

[Kinakh] We badly need a legally regulated bankruptcy mechanism and there will be no structural changes without it. This needs the whole new package of laws, including those on social protection and adaptation of the workers of bankrupt enterprises.

National Bank Announces New Currency Regulations

WS0310092995 Kiev INTELNEWS in English 0039 GMT 3 Oct 95

[FBIS Transcribed Text] Kiev, Oct. 2 — The National Bank of Ukraine on Monday announced new regulations affecting currency that crosses its national borders.

The NBU resolution is considered an answer to the Russian Central Bank's resolution last month forbidding legal entities to transport Russian rubles in and out of Russia.

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The new rules stipulate that legal entities are allowed to bring into Commonwealth of Independent States countries only currency that they previously brought into Ukraine and registered. The total amount of currency should not exceed US$ 1,000. Furthermore, up to US$ 2,000 may be taken out of Ukraine, provided that this sum was withdrawn from a bank account with express permission of an authorized bank. Authorized banks are those banks possessing an NBU hard-currency license. There are currently more than 100 banks in Ukraine with such licenses.

Sums exceeding US$ 6,000 require special permission from the NBU to leave Ukraine.

This means that people traveling to Russia on a business trip may bring with them no more than RBL27.5 million.

Servicemen whose bases are located in CIS countries and who enter Russia through Ukrainian territory are the only exceptions to the regulations.

'Shadow Economy' Expansion Causes Production Slump

WS0310104595 Lvov INFOBANK in English 0825 GMT 3 Oct 95

[From the "News Service" feature]

[FBIS Transcribed Text] Economic adviser to Ukraine's Vice Prime Minister Roman Shpek, Canadian expert Mykhaylo Zinchuk, told an INFOBANK correspondent that in the first half of 1995 a decrease in production continued to take place in Ukraine, but at a slower rate than in the previous year and with indicators similar to those in 1993. He estimates that GNP in the first half of this year decreased in comparison with the same period in 1994 by 11.4% as did the production of industrial goods (by 13.6%) and consumer goods (by 22.4%). The greatest decrease in production - 41% - took place in Ukraine's light industry. Mr. Zinchuk pointed out that the Ukrainian government did not expect such a decrease since it had hoped that the "low point" would be 1994. The Canadian expert said that the decrease could be explained by the fact that more and more businesses are going over to the so-called shadow economy which is semi-legal.

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Belarus

Pact With Russia on Hard Currency, Exports

WS0210140195 Minsk Radio Minsk Network in Belarusian 1300 GMT 2 Oct 95

[FBIS Translated Text] As has already been reported, the Belarusian and Russian governments have signed an agreement on cooperation and mutual assistance in the area of hard currency and export controls. To implement this agreement, Belarusian President Alyaksandr Lukashenka has issued an instruction appointing bodies authorized to conduct appropriate cooperation with the Russian side. These are the National Bank, the Presidential Control Service, the Ministry of Foreign Economic Relations, the Ministry of Internal Affairs, the Ministry of Foreign Affairs, the Ministry of Defense, the Ministry of Finance, the Ministry of Justice, the State Customs Committee, the KGB, the Border Troops Main Directorate, and the Main State Taxation Inspectorate subordinated to the Belarusian Cabinet of Ministers. The Presidential Control Service has been charged with coordinating their actions.

Commentary Ridicules Lukashenka Moscow Visit

WS0310104495 Minsk SVABODA in Belarusian 29 Sep 95 p 4

[Commentary by Vital Tsyhankow: "He Wants, but He Cannot"]

[FBIS Translated Text] **The Belarusian president again surprised and even amused the esteemed public with his emergency trip to Russia, and also enhanced his reputation among serious Russian circles as an unpredictable and eccentric politician.**

Violating diplomatic protocol and his previous timetable, Lukashenka appeared in the Russian capital like snow in July. Even the Belarusian Foreign Ministry did not know about his departure for Moscow, even though a few days earlier, during a meeting with his Russian counterpart Kozyrev, Minister Uladzimir Syanko said that the two sides must intensively prepare for a full-value official visit. It proved to be not a "full-value" visit. The president ignored the preparations carried out by his foreign affairs department, as, by the way, he has recently been ignoring a number of other efforts by the Foreign Ministry and the minister himself.

Despite all assurances that "nothing actually happened," expressed this week by both Zamyatalin [Lukashenka's spokesman] and Lukashenka himself, it seems that our president went to Russia to trade in Belarus, to put it simply. As recently as two weeks ago, in an interview with the MIR television and radio company Lukashenka stated that he had sent a letter to the Russian leadership with proposals to "deepen" Belarusian-Russian relations. Earlier this week, Moscow sent a response, which Lukashenka considered to be positive. Inspired by such developments, Alyaksandr Ryhoravich rushed to Moscow with some draft treaty on confederation in his briefcase. In Moscow, however, an unexpected misfire was waiting for him — Yeltsin brushed aside the annoying "young politician," displaying little desire to waste his vacation on his projects. Lukashenka had to meet with the Russian power ministers, thus annihilating the notion of a state leader's dignity.

The Russian president finally agreed to talk to his "younger brother." Having listened to Lukashenka's proposals, Yeltsin apparently said the following: "This is impossible without Ukraine. Go to Kiev and talk to Kuchma." They sent him, and he went there.

In Kiev, however, nobody was waiting for Lukashenka. At the airport the president of our state was met by employees from Kuchma's administration, which vividly demonstrated the Ukrainian authorities' attitude toward the relentless integrationist drive of the Belarusian leader. OSTANKINO's Ukrainian correspondent mocked the newborn unionist, and television allotted as much as three minutes (which is very unusual) for this nearly satirical story.

Therefore, another Lukashenka "cavalry raid" on Moscow ended with a fiasco. This, however, by no mean implies that other attempts to "incorporate Russia into Belarus" have also failed. As everyone knows, the activity of our president this fall is explained by quite pragmatic reasons — the beginning of the heating season and the parliamentary elections. In terms of domestic policy, Lukashenka would undoubtedly like to implement the "integration" by holding a referendum, scheduling it for the day of parliamentary elections. Our society would again switch from elections to a referendum, and Lukashenka would win again.

They almost "cracked" our president in Russia, however. It is worth analyzing why Russia does not yet want to unite with Belarus. The most straightforward and logical response is the economy: Capitalist Russia is currently unable to "digest" the country of 10 million with the socialist form of ownership. Logic, however, is a poor argument in the case of Russia, a country which nobody is ever able "to fathom." Moscow phlegmatically tolerates even worse "bear caves" — there is not even the smell of reform in certain Russian regions. Moreover, Russia has always been ready to suffer any economic losses in the name of ideological and geopolitical benefits.

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There is also a quite romantic argument: The Russian leadership is apparently afraid of Lukashenka as a potential candidate for the Russian throne. If Alyaksandr Ryhoravich himself is unable to understand the entire danger of this idea, it will be be explained in a simple Slavic language. If this produces no result, it will not be hard for the Russian special services, which have already organized disturbances and even wars (recall the Dneister region or Abkhazia), to conceive of some plane accident.

In my opinion, the most likely version is that about the Russian leadership's unwillingness to rush integrating processes. The "Belarusian card" should appear in the most suitable moment — during the presidential elections — and become a trump ace. However, they will not leave Lukashenka the copyright for this scenario — everything will be done to associate the idea of unifying the two states in the consciousness of Russian voters with the names of Russian leaders — either Yeltsin or Chernomyrdin.

Therefore, thanks to circumstances, Belarus has received a short respite. We, however, should abandon our illusions that some good Russian ruler will leave us alone. Given the current state of Russian self-consciousness, any future Russian president will to a certain degree use the ideology of a super power. We cannot wait for a rescue from "democratic Moscow"; we must rely only on ourselves.

Lukashenka Seen Turning Into Dictator

MM0210101495 Moscow IZVESTIYA in Russian 27 Sep 95 p 5

[Article by Anatoliy Maysenya, president of the "East-West" National Center for Strategic Initiatives, under the "Opinion" rubric: "When You Have All the Power You Want. On the Role of the Individual in Post-Soviet Belorussia [Belorussiya]"]

[FBIS Translated Text] Minsk

L'Etat, C'Est Moi [I Am the State — Words of Louis XIV to parliament]

The shooting down of a civilian hot-air balloon with U.S. sportsmen on board in the sky above Belarus was primarily a tragic accident, of course. But despite the sincere regrets and condolences offered by official Minsk to the families of the deceased in response to the incident many people saw a fatal inevitability in that tragic accident — the salvoes fired at the defenseless balloon reflect a policy familiar to us from Soviet times that President Alyaksandr Lukashenka and his immediate entourage have been successfully implementing in Belarus for over a year now. In this sense the parallel with the South Korean Boeing 747 is far more than a simple historical analogy. It is dominated by the same spirit of the "closed society" in which human life counts as absolutely nothing compared with the protection of the socialist fatherland's sacred borders. A stifling atmosphere of universal suspicion, spy mania, bellicose anti-Westernism, lack of freedom, and police investigations now exists in official Belarusian policy.

One year after Alyaksandr Lukashenka was sworn in, Belarus has found itself under the thumb of the president and the services subordinate to him. "L'Etat, C'Est Moi," the president could declare with full justification.

Late August to early September was when Alyaksandr Lukashenka first experienced serious opposition to his voluntarism elevated virtually to the level of state policy.

It began with a strike by workers of the Minsk Subway organized by the Free Trade Union.

The president gave his blessing to the subsequent series of repressive actions against the organizers of and participants in the strike. All this was done with an ostentatious brutality and open contempt for the law — as a lesson to the rest.

But the Federation of Trade Unions of Belarus issued a scathing statement in defense of the Free Trade Union, calling President Lukashenka's actions unconstitutional.

One after-effect of the subway strike was the IMF's decision to postpone the allocation of a stand-by credit to Belarus. But at a session of the International Aviation Committee at the CIS headquarters in Minsk, President Lukashenka gave a fitting rebuke to the gentlemen from the IMF and, broadly speaking, declared that he is not going to trade away the friendship with Russia for $300 million. In so doing he was demonstrating once more that he has no equals when it comes to "our reply to Chamberlain." Many people still do not understand the connection with Russia which regularly receives international credits itself and is trying not to spoil relations with any of the international financial institutions?! The IMF's credits to Russia alone amount to $6.800 billion by the way.

Ministers Barred From Parliament

The 12th Supreme Soviet began its session in September. Let us recall that a new parliament in Belarus was not elected mainly because of the voters' failure to turn out. Consequently the old parliament remains legitimate until new parliamentary elections are held. The president reacted to the deputies' assembly in characteristic vein — he ordered the premier and ministers not to set foot inside the parliament. In addition, he recalled from the

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Supreme Soviet all the draft laws prepared and submitted for examination by the executive organs. By then it was no secret to anyone that the president had arbitrarily revised the budget several times as he saw fit. It was plain to see that this was not part of his constitutional powers. The deputies reacted to the presidential structures' boycott of the Supreme Soviet session by adopting a political statement in which the president was told the stark truth for the first time that his actions violate the country's laws and Constitution and infringe the economic and political rights of Belarus citizens. On this harsh note the parliament terminated its sitting, giving itself and the president an opportunity to reconsider the situation that had developed in the country.

The Constitutional Court also broke its long silence and instituted proceedings to determine whether six presidential edicts corresponded to the Constitution and laws of the Republic of Belarus.

"Welcome to Haiti!" — that is how one of Belarus' leading journalists headed a commentary on the current situation — the headline was somewhat metaphorical, perhaps, but in principle it was correct.

Intimidated by the high-handedness of the authorities, the punitive taxes, and the confusion which accompanied the implementation of the Belarus-Russia agreement on the common customs area, entrepreneurs and businessmen began preparing themselves for the worst. Capital began to flow out of Belarus and business activity declined.

The Belarus economy is struggling desperately for survival and production is falling — GDP is down 12 percent compared with last year. According to the experts' assessments, industrial enterprises are working to approximately 30 percent of capacity. The nonpayments crisis is drastically undermining the economy. Since A. Lukashenka's advent to power the privatization process has been put on hold. In this regard Belarus is undoubtedly the leader in Eastern Europe — only 5 percent of enterprises have been denationalized. Major Western investors prefer to give the republic a miss.

The storm clouds have also gathered over relations between the president and the political parties. Since his election. A. Lukashenka has deliberately pursued a policy of ignoring the parties as components of political life and, accordingly, as serious partners in the work of the state's organizational development. He not only set himself up **above** the parties as the "father of the whole Belarusian people" but also time after time publicly denied their right to represent anyone's interests at all. This provoked a sense of solidarity even among those parties which politically speaking are diametrically opposed to one another.

His insatiable, almost messianic desire to tower above everyone and bestow his grace upon them condemns Alyaksandr Lukashenka to isolation and makes him a tragic figure in modern Belarusian history. The formula "Lukashenka and the people are united" was true three months ago but has now been significantly revised. The noble intentions to be the people's benefactor are foundering on the harsh economic realities. Life itself is increasingly often driving the Belarusian president into a corner.

So it is all down to that accursed economic necessity again. I would venture to suggest that the Belarusian president has failed to master that truth. Perhaps because to achieve that, he must first master himself. The personal factor will undoubtedly have a decisive influence on the situation in Belarus in the coming months.

Dictatorship in Central Europe Is Not Possible But Is Real

In principle there are two scenarios for the development of events in Belarus before the end of 1995.

The first scenario is the path toward dictatorship in Belarus with its attendant consequences: the imposition of police tyranny, persecution of unorthodox views, suppression of free speech and of the freedom of the press, the dissolution of parties and sociopolitical organizations, the manipulation of public opinion, bellicose Slavophilia and xenophobia, the restoration of the distributive system in the economy, and the wholesale nationalization of banks and private business.

In that event, of course, there will be a boycott of parliamentary elections or else a puppet parliament will be elected in the most democratic manner using crude administrative measures including the internment of opposition leaders. A year ago such a suggestion would have seemed the product of a fevered mind but when viewed against the background of events in Belarus today is it already halfway to reality. The internment procedure was tried out by the president's team against the leaders of the subway workers' strike. A. Lukashenka issued an edict stripping deputies at all levels of their immunity. (It is indicative that this was done retroactively).

By another edict the president confiscated the Supreme Soviet deputies' diplomatic passports and made them wait in line at the Visas and Registration Department again. This effectively signaled the start of a campaign of persecution against political undesirables. That is also confirmed by information from sources close to presidential circles about the existence of lists of "restricted travel" citizens who have been deprived of freedom of movement without trial or investigation. G. Bykov,

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leader of the Free Trade Union, has experienced the reality of these "black lists" for himself: Without explanation the Belarusian border guards recently refused to let him enter Polish territory even though he had an official invitation.

The recent edict whereby top state officials, including newspaper editors, must seek the president's permission whenever they want to make a foreign trip is a truly wonderful new idea.

The present state of democracy in Belarus is eloquently illustrated by the scandalous reply from V. Kondratyev, the republic's deputy general prosecutor, that if he had to choose between the law and the president's edicts he would unhesitatingly choose the latter. This is also the reality — the Prosecutor's Office and the system of justice, like the power ministries, now exclusively defend the president's interests and are obedient exponents of his policy.

However, I would refrain from making categorical allegations about wholesale moral degeneration in these departments or claim that the specters of the "Cheka-NKVD-MGB" have taken up residence there again. Many of the "power ministry people," just like ordinary citizens furthermore, are living in awe of a president elected by all the people even though deep down they know perfectly well that no one gave A. Lukashenka a mandate for lawlessness.

The president dealt a severe blow to the image of the "power ministers" by his edicts on the regulation of privileges and on changes to the pension system, some provisions of which have been greeted as an insult, such as the fact that policemen's right to free public transport when on official duty has been withdrawn.

The appalling events of Moscow October 1993 cannot be repeated in Minsk, I am sure, because there is no political opposition in Belarus.

The dividing line in Belarus society today runs not between the Communists and democrats or even between the "pro-sovereignty lobby" and the supporters of a return to the USSR, which does not preclude a system of dialogue, but between the handful of admirers of the dictatorship, who are continuing to hoodwink the people, and those forces which are trying to defend and protect the first shoots of a civilian society in Belarus.

The Russian Card Is Always Valuable

Possessing unbounded power in Belarus but experiencing meanwhile a growing discomfort at the condemnation of his policy by the international community and protests within the country, Alyaksandr Lukashenka has strenuously tried to find external allies. This, clearly, is the explanation for the unusual explosion of enthusiasm with which the Belarus president greeted the recent initiative for a military-political union within the CIS.

The Belarus president needs the "Russian lever" to strengthen the regime of personal power. Here, too, he cannot be considered a trailblazer.

It is not impossible that political life in Belarus will soon be given a new shot in the arm in the form of a presidential initiative on a referendum on dual citizenship and perhaps the formation of a confederation with Russia. Especially since political campaigns are Alyaksandr Lukashenka's life blood — life for him is a constant struggle with hostile forces. The idea of a confederation between Belarus and Russia undoubtedly has something to be said for it. We cannot forget so quickly something which united us for decades. But what can this mean in practice today? After all, Belarus and Russia live within different systems of coordinates. They are disparate bodies economically and politically. If the idea of forming a confederation were rushed through now it would thoroughly discredit the idea itself. Even less should it be used as a kind of screen behind which narrow political groupings in the two countries will sort out their little problems.

Russia and Russian policy still wield a decisive influence over events in Belarus. And if Russia really wants to strengthen relations of strategic partnership with Belarus it is in its interests to use its full potential to promote the economic and democratic reforms in the neighboring state and lay the foundations of political stability. Apart from anything else that means acting subtly and patiently, without wounding the Belarusian president's dignity and pride so as to influence him in such a way that events in Belarus do not follow the worst-case scenario. Which is far better than using A. Lukashenka as a bogeyman to frighten the West.

I would also like to believe that no matter which political force comes to power in Russia as a result of the parliamentary elections they will find it objectively disadvantageous to be living next to an authoritarian regime capable of igniting a universal conflagration by its irresponsible conduct.

All Hopes Pinned on Dialogue

But even though there is a real danger today that Belarus could slide into dictatorship there is still a "window of opportunity" open for its rapid return to national accord, common sense, and civilized standards in political practice. That is the essential point of scenario two for the possible development of events in Belarus. It needs goodwill from the president and A. Lukashenka's participation in the round table meeting

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with political parties and public organizations scheduled for mid-October could be the first serious test of his readiness for goodwill.

The very next stage on the path to social peace and national accord will be the elections to the new Supreme Soviet on 29 November this year. The president of Belarus must finally understand that all the republic's significant political forces will be his sincere allies on that path. In the same way it is important to understand that in the historical perspective the distance between nationwide love and universal contempt may prove far shorter than Alyaksandr Lukashenka imagines. This is the path from the democratic elections, when the Belarusian people gave him the presidential mandate with their enthusiasm and hope, to an aggressive and ignorant dictatorship in one isolated country in central Europe. The important thing today is to stand back from the brink.

Moldova

Strasbourg Concerned Over Possible 'Presidential Regime'

AU0310082495 Chisinau INFOTAG in English 1850 GMT 2 Oct 95

[FBIS Transcribed Text] Chisinau, October 2 (INFOTAG) — The deputies of the Parliamentary Assembly of the Council of Europe expressed concern over the current developments in Moldova, said Vladimir Solonari, Chairman of the Human Rights and Minorities Committee in the Moldovan Parliament.

He said to INFOTAG upon his return from Strasbourg, where he and the Moldovan delegation took part in the assembly session, that the Europarliamentarians' concern could be felt from the very kind of questions they asked President Snegur after his speech at a plenary sitting. "They wanted to know more details about Snegur's initiative to revise the Constitution in the prism of introducing a presidential regime, about his proposition to amend the State Security Law (passed at the first reading,) which would bring the state security organs under his exceptional control thus escaping the Parliament's jurisdiction."

European parliamentarians are perfectly aware that President Snegur has several times appreciated the Kazakhstan experience of constitutional setup — a pattern absolutely unacceptable from the viewpoint of European standards. And the concern they showed is quite natural, as the Council of Europe is a guarantor of observing democratic norms in the region, Solonari stressed.

Our correspondent asked the deputy if there really was a necessity in Speaker Lucinschi's sending a message to the Parliamentary Assembly Chairman — a message which caused Snegur's strong irritation, on which Mr. Solonari replied: "There exists a practice of regular informing the assembly chairman by the Moldovan Parliament speaker."

"The head of the international forum, which has been joined by Moldova recently, has the right to receive information from different sources on the state of things in the republic. As for its contents, the message was a confidential one, was not published anywhere, and I know nothing about its details," Vladimir Solonari said.

Delegation Leader Previews 3 Oct CIS Conference

AU0310081995 Chisinau INFOTAG in English 1850 GMT 2 Oct 95

[FBIS Transcribed Text] Chisinau, October 2 (INFOTAG) — Moldovan Deputy Minister of Foreign Affairs Aurelian Danila and Vasile Sova, director of the CIS Department in the ministry, left for Moscow today to take part in the sitting of the CIS Council of Foreign Ministers beginning Tuesday, 3 October.

Vasile Sova told INFOTAG that the forum's agenda includes an exchange of opinions about the UN General Assembly dedicated to the 50th anniversary of the United Nations, preparation for the sitting of the OSCE [Organization on Security and Cooperation in Europe] Council of Ministers scheduled for December, relationship of the CIS with UNESCO [United Nations Educational, Scientific, and Cultural Organiz], ASEAN [Association of Southeast Asian Nations], the Organization of American States, and other international agencies.

"The sitting will also discuss the opening of a CIS office in Geneva and New York. We are planning to participate in the discussion, but do not consider it necessary to open such representations. Moldova can and shall be representing its interests abroad — by itself," Mr. Sova stressed.

The agenda includes also several issues pertaining to the competence of ministers of defense and border troop commanders. However, the Moldovan delegation will abstain from these debates, and will be present in the room only as observers.

The delegation is headed by a second person in the ministry, as Minister Mihai Popov has left for Luxembourg to take part in the sitting of the European Council. He is expected to sign there an interim agreement of cooperation between Moldova and the European Union.

Among other issues, the Moscow sitting of the CIS Committee is going to discuss President Yeltsin's decree "On Russia's Strategic Course with CIS Member

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States." It is not in the official agenda, but the Russian Ministry of Foreign Affairs is seeking to hear the opinions of CIS colleagues about the document, our informed source in Moscow said.

The decree, signed by Yeltsin in mid-September, reads that "the chief objective of Russia's policy concerning the CIS is the creation of an economically and politically integrated union of states capable to occupy a worthwhile place in the world community." The document, which consists of seven articles, indicates in particular the necessity "to gradually expand the customs union by bringing in the rest of the economic union members," and the necessity "to seek the establishment of a collective security system (....) to deepen the cooperation between CIS members in the field of security of national frontiers, proceeding from the assumption that it is in the interests of Russia and other member states to have a reliable defense of borders around the entire CIS, as defense is a common cause which should be carried out by joint efforts."

INFOTAG requested Mr. Vasile Sova to comment on Moldova's official stance concerning the decree, on which the official replied that "the Moldovan Ministry of Foreign Affairs abides by the Constitution, Parliament decisions, and the foreign policy concept." "In the CIS frames, we participate only in economic matters. As for military or political cooperation, we proceed from the principles of neutrality and non-participation in any blocs. We are ready to voice our position. And it would be interesting for us to exchange opinions with our colleagues from CIS states," Mr. Sova said.

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Turkmenistan

Application Submitted To Join Nonaligned Movement

LD0210220795 Moscow ITAR-TASS in English 2151 GMT 2 Oct 95

[By Boris Sitnikov]

[FBIS Translated Text] UNITED NATIONS , October 3 (Itar-Tass) — Turkmenistan, which has filed an application to be admitted to the Non-Aligned Movement, is hoping the response will be positive, Turkmen Foreign Minister Boris Shikhmuradov said at the 50th session of the UN General Assembly.

Shikhmuradov said a new group of Asian states with common interests of development and the restoration of trade relations had come into being after the collapse of the Soviet Union.

"However, the new independent states cannot deny their past. Relations between Turkmenistan and the Russian Federation remain a key element of its (Turkmenistan's) foreign policy," he said.

"Turkmenistan declared its neutrality as a principal aspect of its foreign policies. As a neutral state, Turkmenistan intends to play a certain role in the forthcoming inter-Tajik talks," the Turkmen minister said.

He expressed concern over the situation in Afghanistan, stressing that "interference in Afghanistan's foreign affairs will be counter-productive."

Shikhmuradov expressed hope that his country would be able to build a bridge with Europe through the Russian Federation. He stressed that Tajikistan as well was interested in the use of Caspian Sea resources which the minister called "the common property of the five Caspian states".

"The freedom of navigation in the Caspian Sea should be confirmed by the coastal states," he said.

Work on Turkmen-Iranian Railway Stepped Up

LD0210190295 Ashgabat TURKMEN PRESS in Russian 0900 GMT 2 Oct 95

[FBIS Translated Text] The leaders of the country's ministries and departments, and the enterprises and units that are participating in the laying of the Tedzhen-Serakhs railway line, have discussed measures to step up the pace of construction on the international station and local station at Serakhs.

A decision was adopted to introduce additional substations and well-drillings to guarantee electricity and water to the construction works and the future installations. Work on building the railway terminal is being carried out by the Turkish firm Mensel. The stream of passengers, which will be serviced daily by the future railway station, will be 200-500 passengers. They will be served according to international standard at Serakhs station. A container terminal will also operate in the station, to deal with the streams of cargoes. Its construction is the task of departments of Turkmenistan's Ministry of Construction and Architecture.

As a TURKMEN PRESS correspondent was told at the Department of State Railways, the construction of buildings at the railway stations at Kulanly, Ata, and Khauz-Khan on the new Tedzhen-Serakhs main railway is being carried out at heightened speed at present. At the beginning of next year, the railway-builders intend to finish construction of the bridge over the Kara-Kum Canal. Assembly work is also being finished by Iranian builders working on the construction of the main bridge of the Tedzhen-Serakhs-Mashhad railway over the Tedzhenka River, which divides the two neighboring states.

On the Iranian side which, as is known, will connect the railway networks of Iran and Turkmenistan, work on the ground-fill for the railway is already finished, and the first tunnel has been built. The Iranian builders intend to finish work on two more tunnels by the end of the year. Work on building the superstructure of the railway from the Iranian town of Sarakhs — the laying of the rails and sleepers — has begun.

Both Turkmen and Iranian builders on the trans-Asian Tedzhen-Serakhs-Mashhad main railway intend to finish construction and other work on the new line by the spring of next year. Its opening will be a great event not only in the lives of the two neighboring peoples, but also for all member-states of the Economic Cooperation Organization, which will have the opportunity to use the transport corridor to the ports of the Persian Gulf.

Joint Venture Opens Liquified Gas Producing Plant

LD0210165895 Ashgabat TURKMEN PRESS in Russian 0900 GMT 2 Oct 95

[FBIS Translated Text] The Turkmen-Russian Intergas joint venture has opened a liquified gas producing plant in the city of Turkmenbashy. It will provide an output of 10-12,000 tonnes of propane-butane a year for the needs of Turkmenistan's national economy by processing natural gas, which is currently being burned off at the Turkmenbashy heating power plant.

The joint venture's Russian founder, the Kirishineftekhimeksport [Kirishi oil and chemicals export] foreign trade firm allocated $3.5 million to

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buy liquified gas producing equipment from Canada. Turkmenistan today needs approximately 60,000 tonnes of this product to satisfy its own needs in liquified gas. The Turkmenbashy oil-refining plant, the main gas supplier, is producing up to 18,000 tonnes. The rest is bought by Turkmenistan in Russia at a cost of $220-230 a tonne. The first separate gas-liquifying production unit in Turkmenistan will bring this price down by 50 percent. The propane-butane, which is being extracted here, is up to the highest standards of the world.

According to the opinion of the Turkmen-Russian joint venture's director-general, O. Klychev, the gas production will allow not only partially to lift the tension in the state over propane-butane supply, but also to enrich the city's ecology.

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Georgia

Russian Interior Ministry To Seek, Detain Georgadze

LD0210153895 Tbilisi IPRINDA in Russian 1500 GMT 2 Oct 95

[FBIS Translated Text] Tbilisi, 2 Oct — An IPRINDA correspondent has been told at the press center of the Prosecutor's Office of the Republic of Georgia that a letter addressed to Prosecutor-General Jamlet Babilashvili arrived on 1 October. The letter was signed by Russian Federation Deputy Prosecutor-General Oleg Gaydanov. It says that, in accordance with a request from Georgian Prosecutor-General Babilashvili, the Russian Federation Ministry of Internal Affairs has been instructed to take measures to find and arrest Igor Giorgadze [former head of the Georgian Security Service], I. Guliyev and E. Nasqidashvili, who have been charged with carrying out the terrorist act of 29 August.

The letter says that the Georgian Prosecutor's Office will receive further information concerning the results of the search and its request for the handover of the aforementioned persons to the Georgian law-enforcement authorities.

Police Depart For Moscow To Arrest Georgadze

LD0310103995 Moscow ITAR-TASS in English 0930 GMT 3 Oct 95

[By Tengiz Pachkoriya]

[FBIS Transcribed Text] TBILISI October 3 (Itar-Tass) — A group of Georgian Interior Ministry officers and workers from the public prosecutor's office has left for Moscow to arrest Igor Georgadze, former Georgian Security Service chief, and his two colleagues.

A Tass correspondent in Moscow has failed so far to get any information on this subject from representatives of Russian law enforcement agencies.

Last Sunday Georgadze was officially accused of having organized the attempt on the iife of Georgian leader Eduard Shevardnadze, staged on August 29. On that day Shevardnadze was lightly wounded, when his car was blown up. Georgian officials announced that Georgadze, accused of having prepared a number of other acts of terrorism, was hiding in Moscow.

Speaking at a conference of officials from local bodies of power and law enforcement agencies in Tbilisi on October 1, Shevardnadze said that all the necessary measures were taken for bringing Georgadze from Moscow to Tbilisi. He added that he had appealed to heads of corresponding agencies in Russia to -help them in conducting the operation and that if they failed to do so, "this will evoke suspicion among the Georgian population."

Igor Georgadze became the chief of the Georgian Security Service in October 1993. Two days after the attempt on the life of Shevardnadze he was removed from that post. He is the son of Panteleimon Georgadze, leader of the United Communist Party of Georgia, who will be one of Shevardnadze's rivals at the presidential elections, scheduled for November 5.

Responding to the request of Tass to tell more about himself and his son, Panteleimon Georgadze said the following:

Igor Georgadze was born in 1950 in the city of Zaisan, in Eastern Kazakhstan, where his father, a career officer of the Soviet Army, was serving at that time. After getting a secondary education, Igor Georgadze graduated from the Higher School of the USSR State Security Committee (KGB) and worked for the security service for 25 years.

Panteleimon Georgadze added that several days after his son had been removed from the post of chief of the State Security Service, he had left Georgia for Moscow, where he had stayed ever since. It became known in mid-September that Igor Georgadze was going to run for Georgian parliament. His candidature was nominated in the city of Samtredia, Western Georgia, which is the native place of his father.

Igor Georgadze has two children — Dmitry, 19, and Nina, 14.

So far as Panteleimon Georgadze is concerned, he was born in 1925 in the village of Gomi, Samtredia District. He graduated from two military academies, served in the USSR Armed Forces for several decades and retired, having the rank of a general. Late in the 80s he worked for some time at the central committee of the Georgian Communist Party. Early in 1991 he was the commander of the Georgian frontier guard troops for several months.

In 1994 Panteleimon Georgadze became the leader of the United Communist Party of Georgia. He is believed to be an orthdox communist. P.Georgadze makes no secret of his support for the idea of the restoration of the Soviet Union. In his public addresses he strongly criticised on more than one occasion the policy, pursued by Shevardnadze.

P. Georgadze arrived in Tbilisi from Moscow on Monday night. He told Tass today in the morning that he was going to continue his work as a presidential candidate and take part in the electoral campaign.

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Communist Party Denies Leader Involved in Terrorist Acts

LD0210174795 Moscow INTERFAX in English 1537 GMT 2 Oct 95

[FBIS Transcribed Text] TBILISI, Oct 2 (Interfax) — Claims that terrorist acts, including those against Georgian leader Eduard Shevardnadze, were planned in the apartment of leader of the Georgian United Communist Party Panteleimon Georgadze are "so absurd and unfounded they will not stand up to criticism," party sources told Interfax Monday.

In the opinion of the party leaders, these claims are part of the election campaign and have one goal - "to discredit the Georgian United Communist Party and its leader and, if possible, to prevent them from participating in the parliamentary elections scheduled for November 5."

Sources at the party headquarters noted "such provocations on the part of the Georgian authorities may continue, because they understand the communists will have impressive results in the elections and have to be somehow isolated."

Sources at the Central Electoral Commission told Interfax, they have not discussed the question of Georgadze, who was registered as a candidate for Georgian President, because they had not received an appeal of the Prosecutor's Office.

As for denying the Communist Party the right to participate in the parliamentary elections, this can be done only by the Georgian Supreme Court, said the Commission members.

A statement saying the terrorist acts were planned in the apartment of Georgadze, father of the ex-head of the Georgian Security Service Igor Georgadze, was made by Georgian Interior Minister Shota Kviraya at a news conference in Tbilisi Sunday.

On the same day Georgian Prosecutor General Dzhamlet Babilashvili said that involvement of Igor Georgadze in terrorist acts against Georgian high-ranking officials had been proved. In his words, the arrest of Georgadze, dismissed from his post right after the failed attempt on Shevardnadze's life on August 29, had been sanctioned.

Terrorist acts staged in Tbilisi in the past 1.5 years have killed Deputy Georgian Interior Minister Giya Gulua, leader of the Georgian National-Democratic Party Georgy Chanturia and Chairman of the Fund for Democracy and Revival Soliko Khabeishvili.

Russian Unit Moves Closer to Abkhaz-Georgian Border

LD0210151095 Tbilisi IPRINDA in Russian 1130 GMT 2 Oct 95

[FBIS Translated Text] Zugdidi, 2 Oct (IPRINDA) — An IPRINDA correspondent reports that a unit of Russian peacekeeping forces stationed just outside Zugdidi city have been redeployed to the village of Rukhi, near a bridge over the Inguri River. All their equipment and weapons were moved to the new site on 30 September. Reliable sources say that this unit intends to move to a Russian military base in Gudauta in the future.

Shevardnadze on Plan To Restore Georgia's Integrity

MK0310083195 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 26 Sep 95 pp 1, 7

[Interview with President Eduard Shevardnadze by Yuliya Kalinina: "'Who Wanted To Kill You?' Eduard Shevardnadze Has Told MOSKOVSKIY KOMSOMOLETS About the Bright Future" — place and date not given]

[FBIS Translated Excerpt] [passage omitted] [Kalinina] Eduard Amvrosiyevich, what do you yourself think: Who wanted to kill you?

[Shevardnadze] "Mkhedrioni" members are being charged with committing the terrorist act. And not only they. Khachishvili, the deputy security minister, has been arrested, and I am being told that he was one of the organizers of the attempt. [passage omitted]

[Kalinina] According to some reports, Security Minister Igor Georgadze, who was dismissed after the terrorist act, is now in Moscow. Will Georgia demand his extradition if the investigating agencies decide to arrest Georgadze?

[Shevardnadze] I am not now prepared to answer this question. So far there are only suspicions about his participation in organizing the terrorist act. But there is also plenty of evidence pointing to his involvement in corruption, showing that ministry officials, with his knowledge, engaged in illicit trade in cigarettes. And there are other such facts. It is very important to sort everything out calmly and not blame a person for sins he did not commit. [passage omitted]

[Kalinina] What is your version: Why was the assassination needed?

[Shevardnadze] Let us think together: What would happen if Shevardnadze were out of the way? Some

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salvation committee or military council would have to be created. Then parliament would be blackmailed and a head of state chosen who would organize elections in the interests of mafia structures. And then — chaos. Since they decided to kill [me], they had scenarios for further action.

[Kalinina] The following version was floated in the press: Russia was not content with the plan for a Caspian oil pipeline to pass through Georgia. To force the consortium to abandon this idea, it was necessary to destabilize the situation in the country, and getting the head of state out of the way was one possible option.

[Shevardnadze] No, these are innuendoes with respect to the leadership. In such cases decisions are made at the top level. But now the situation is such that there are no contradictions between us and the Russian Government. Therefore, I do not regard this version as plausible.

And then what is at issue is primary [pervichnaya] oil. Georgia will have 4-5 million [currency unspecified] from this — not very big money for Russia, and for Georgia, frankly speaking, it is not very much either. As for the main [glavnaya] oil, this is a serious matter: It will be decided later, taking all economic factors into account. Maybe preference will be given to two pipeline options at once: the "Russian" and the "Georgian" ones.

No, I do not think that the terrorist act was connected with an oil pipeline. These are rather our domestic "coupmakers." Possibly they had some support: Surely there are some forces in Russia who are interested in an unstable Georgia, just as in Georgia there will be forces not wishing to see a stable, strong Russia.

[Kalinina] During Chernomyrdin's visit to Georgia you signed on agreement on the stationing of military bases, although in the spring you said that you would not sign it until Georgia's jurisdiction over its entire territory, including Abkhazia and South Ossetia, is restored.

[Shevardnadze] Yes, I did it absolutely freely, without any pressure. The question was not only how to ensure a quicker return of refugees, but also how to restore the railroad. It will be protected by the military, and therefore it will be easier for the refugees to return. Naturally, the Russian leadership would like the agreement on military bases to be initialed and signed by the head of state. I did it. I think I acted correctly. But as for the ratification of the agreement by parliament, this will happen only after the question of restoring Georgia's territorial integrity has been finally resolved.

[Kalinina] How will restoration of Georgia's territorial integrity proceed? Today it is being said in both Moscow and Tbilisi that a military operation is being prepared, that Russian troops will occupy Galskiy Rayon and then Georgian Army and Internal Affairs Ministry units will follow.

[Shevardnadze] I do not know how this will be carried out technically, but now is the time to deal with Galskiy Rayon — there is no doubt about it. This is a "Georgian" district; there are virtually no Abkhazians there and therefore there will be no particular internal contradictions. And then possibly peacekeepers can be engaged or maybe some other solution will be found. So far there are no concrete plans.

[Kalinina] In other words, there is no plan regulating the actions of Russian military units?

[Shevardnadze] There are various options, and some work is at hand.... It is very important for people in Abkhazia to understand that these measures are necessary. Today they are also suffocating without the railroad, in economic isolation. And if we deal with this problem correctly, taking into account the interests of the Russian, Georgian, and Abkhazian people, then this process will move forward.

[Kalinina] What is a tentative time frame for this? When is it planned to start restoring Georgia's territorial integrity?

[Shevardnadze] This I cannot tell. But it must not be delayed. Naturally war is bad for everybody: for ourselves and for Russia. If there is no peaceful solution, it is simply unacceptable to go on waiting forever. The situation is explosive; the refugees are tired of waiting. [interview ends]

The situation is indeed very tense and although no official statements are being made, indirect reports, such as information from sources close to the Georgian Army and political leadership, give reason to believe that some "forced" actions will be undertaken in the very near future.

Shevardnadze on New National Currency

LD0210123895 Tbilisi Radio Tbilisi Network in Georgian 0800 GMT 2 Oct 95

[Eduard Shevardnadze, chairman of the Georgian parliament and head of state, regular Monday interview by Correspondent Nato Oniani, on 2 October — recorded]

[FBIS Translated Excerpt] [Oniani] Mr. Shevardnadze, yesterday's meeting of law-enforcement bodies, the Security Service, and heads of local administrations was, in fact, one of the most significant events of the past week, at which many sensational announcements were made, especially in the speech by Interior Minister Shota Kviraia. Some excerpts were broadcast yesterday. Today, the viewers and listeners will be able to see and

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hear the complete recording of the meeting, as far as I know. Therefore, it will presumably be more reasonable to discuss the issue at a later occasion. In fact, you have repeatedly aired your view on and your attitude toward the 29 August and other terrorist acts. Hence, the topic of our interview will be another event of major importance occurring in Georgia during the past week rather than yesterday's meeting. Last Monday was the first day the lari was put into circulation and today is the day the lari becomes the only legal tender in Georgia. What are the first results? Is the monetary reform, the major event for our country and our economy, proceeding normally and as planned?

[Shevardnadze] Thank you. Your stand has fully coincided with my wish to speak to Georgia's citizens, my compatriots, about this issue. I will not exaggerate if I say that today is really a historic day for Georgia. The full-value national currency, the lari, has been declared as the only legal tender in our country as of today. The restored state of Georgia has obtained yet another attribute of major significance. The introduction and establishment of the lari is a logical consequence of the stage of economic transformation that has been experienced. This is a continuation of complex and painful measures of price adjustment, reforms in taxation, and budgetary and banking reforms carried out in accordance with an anti-crisis program which started a year ago. The introduction of the lari was secured by our reformist steps and the irreversible process of Georgia's integration in the world economic unities. The international community, namely the International Monetary Fund, the World Bank, and the European Union have put faith in the reality of the constitutional principles of economic freedom in our country and rendered us serious assistance in financial stabilization. [passage omitted]

The measures were followed by curbing hyperinflation of the coupon. Hence, real value of official incomes rose, although it should be admitted that salaries and pensions in our country are still symbolic. In these circumstances, the population endured the last winter, which was extremely harsh, and welcomes every success achieved during the implementation of the reform, one of the explicit examples of which is the adoption of a Constitution, the Constitution which declares the establishment of a social state governed by law.

The monetary reform is the most significant event in the life of today's Georgia after the adoption of the Constitution. This will be a major instrument for implementing fundamental principles of the Constitution in settling economic and social issues. First of all, the strong currency, convertible within the country and secure from inflation, will create favorable conditions for entrepreneurs to develop production, make investments, and set interest rates which will make credit resources available and more effective to use on the basis of market economy principles. [passage omitted]

The present trends for the revival of industry can be expedited by the implementation of investment projects, which should expand through the continuation and development of cooperation with the IMF, World Bank, European Union, and CIS. This will first and foremost involve the first priority spheres like power engineering, fuel, transport, and agriculture; and of course, education, health protection, and other spheres in which we have already begun reforms. This is a principal foundation for normal functioning of the whole economy.

The implementation of a three-year program of extended funding of structural reforms, aimed at making the country's balance of payments stable and rehabilitating industry, will secure a 10-percent rise in the gross domestic product, as assessed by foreign and Georgian experts. This, along with financial aid received from international organizations, implies an increase in Georgia's own sources of currency reserves and budget revenues; and all this will set a material foundation for implementing a large-scale social program, the initial steps of which will be taken in a month's time. Salaries, pensions, social welfare, including allowances for refugees, will increase by 50-60 percent. It has already been announced that this will occur as of 1 November. Given the present low level of salaries and social welfare, a significant rise like this will not bring us close to settling the problem. However, it will become an important result of curbed inflation and the budgetary and social reforms and the beginning of a trend toward an increase in payments and allowances in the circumstances of the availability of a strong currency.

The introduction of the lari as the only legal tender in the republic creates conditions for a definite financial and economic effect to be reached as early as in October and allows us to spend over 11 trillion coupons for the measure I spoke about; I mean the pay rise. I still use the coupons as the unit.

Another instance of a firm and significant stand is a decision to index-linked savings and calculate compensations for the clients of former state-commercial banks.

This problem cannot, naturally, be resolved at one stroke. We are seeking ways and mechanisms acceptable for the population and actually feasible for the state. A state commission has been set up in this respect. The commission, which is headed by the head of state, includes top officials of the economic structures, regional representatives of the head of state, academic economists, and experts. The current economic situation

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forces us to settle the issue step by step; but, and this is most important, justice and a constitutional principle of the protection of people's property will certainly be victorious. To achieve estimated socio-economic effects through the introduction of a strong national currency it is necessary that it be vested in the country as the only legal tender. Unless this happens, this enormous measure will become worthless.

A one-week process of exchanging the coupon for the lari has passed normally on the whole. The great bulk of the coupons has been exchanged over the past week. The first days of the lari's circulation demonstrated the population's positive attitude toward it and their hopefulness. Citizens have exchanged not only powerless coupons but also foreign currency, especially the Russian ruble.

A significant amount of goods is already being sold for the lari. As of today, the most crucial stage in establishing the lari as the only legal tender has begun. The whole commodity turnover must be served by the lari. The use of any other currency will be treated as a breach of law. I have to specify here that although foreign currency is certainly a citizen's wealth, national currency, in a broader sense, is a ten-fold wealth. It should be noted, there must be no hindrance in exchanging foreign currency for the lari. [passage omitted]

As of tomorrow, all salaries, wages, pensions, or allowances will be paid only in the lari. Major producers, entrepreneurs, and businessmen pledged readiness to use only the lari in trade.

There are no objective grounds for the amount of commodities to be reduced. Farmers are harvesting their crops. Regular import of goods continues. I already said at yesterday's meeting that other additional measures will be taken to make commodities turnover more efficient and to bring more goods to the rural as well as urban areas.

We have to confirm once again what we have repeatedly stated — the lari is secured by the reserves of hard currency. Moreover, having approved the righteousness and timeliness of the introduction of the lari, the IMF Board of Directors decided on 29 September to allocate another, second tranche of a stand-by credit, which totals $25 million.

Along with economic guarantees, the establishment of the lari as the only legal tender in Georgia is being secured by a mechanism of administrative and criminal law. Although we have to hope that we will not need to use these sanctions, the law will be enforced very strictly, if need be.

The Cabinet of Ministers; the National Bank; financial, economic, control, and law-enforcement bodies, ministries and agencies; commercial banks — I would like to emphasize this — businessmen; and entrepreneurs will spare no efforts to secure effective functioning of an economic and legislative mechanism of establishing the lari as the only legal tender. I would like to call on the state representatives — I would refer to them in this way today, I mean my representatives in provinces — mayors and heads of administrations — to take to heart this deed destined for posterity and lead the fight for establishing a strong national currency. However, the citizens of Georgia have the final say.

Not only do the lari's economic advantages matter. The lari has a decisive role in establishing our state's prestige and authority. It has to demonstrate to the whole world how viable Georgia's economy is. In these circumstances, not only will the ability of the present Georgian authorities be appraised, but also that of the whole state. Therefore, the establishment of the lari cannot become a subject of political struggle. It demands that all political forces should consolidate as was the case when the Constitution was adopted. Not only do the present generation have to live with the lari, but also future generations, our children and grandchildren. Therefore, the standards of national consciousness and conscientiousness of each citizen is demonstrated by the attitude toward the lari. I believe that our population will be up to the task.. [passage omitted]

I would like to request television viewers and radio listeners to listen attentively to a report, or rather the recording of yesterday's meeting, which will be broadcast by radio and television today, as you have said. No currency can exist, no financial situation will get stable, and neither will living standards rise without social order, without state order.

Abkhaz President Awaits Georgian Compromises

MM0210135995 Moscow PRAVDA-5 in Russian 29 Sep-6 Oct 95 p 7

[Interview with Vladislav Ardzinba, president of Abkhazia, by Igor Lenskiy, in Sukhumi, date not given: "Vladislav Ardzinba: 'Separatists Living in Tbilisi'"]

[FBIS Translated Text] Sukhumi — [Lenskiy] Vladislav Grigoryevich, how do you regard the accusations of "aggressive separatism"?

[Ardzinba] We want nothing from Georgia. We are not trying to infiltrate Georgia by force. Georgia separated from us when it abolished the old Constitution. We are not the separatists, the separatists are in Tbilisi. If Georgia wants to form relations with us again, that means it has to respect our law.

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[Lenskiy] Why are the talks stalling?

[Ardzinba] What the public is not being told is that we are being offered a document prepared by the Georgian side, they are trying to make us sign it, and they are blaming us for refusing to do that.

[Lenskiy] You are being portrayed as a stubborn politician incapable of backing down one inch from his tough terms.

[Ardzinba] Nothing of the kind! We are adopting a flexible position. We are prepared to make concessions on many points. But we have been to the villages ourselves and listened to what people are saying there. The mood is the same everywhere — no unions with Georgia! After decades of genocide the question of mutual relations with Georgia is not a matter of policy for us. It is a matter of life or death.

[Lenskiy] What are you pinning your hopes on in the next round of talks?

[Ardzinba] On the Georgian side's realization that it will have to compromise. At the moment they know only one thing — Moscow has promised them: Do not worry, we will make these Abkhazians come running to you with their hands up! The United Nations is in no hurry either because Mr. Pastukhov (Russian Federation deputy foreign minister — editor's note) has promised them: You wait, we will pressure them into agreeing to any terms and signing any treaties. That will not happen!

[Lenskiy] What will happen?

[Ardzinba] We will hold a referendum — what do the people want, a treaty with Georgia or a treaty with Russia? Let them send in any international commission they like.

[Lenskiy] But are there what you would regard as healthy forces in Georgia itself who are interested in a favorable solution to the conflict?

[Ardzinba] I believe so. Recently I heard encouraging words from some well-known politicians there, the federalists in particular. Even on the refugee problem. They understand that it is not that simple. If someone takes a gun and fires on his neighbor or rapes his neighbor's wife or daughter, how can you go back and live alongside him right after that? It will take decades for that to happen. The tradition of the blood feud still operates in the Caucasus. Even children will take revenge for the acts of brutality committed against their parents.

[Lenskiy] What do you think about the Russian intermediaries in the Georgian-Abkhazian dialogue?

[Ardzinba] There is a certain group of influential people who are not committed to the principles of mediation but are lobbying for definite interests. I have in mind Shumeyko and Pastukhov. To be frank, I am appalled by the use of such inept politicians.

Shumeyko constantly feels the need to do the rounds in Abkhazia. Essentially his role is that of a paid Georgian provocateur. Now he has been instructed to conduct a so-called "peace conference on the Caucasus." Even before the conference has begun he has caused such chaos that there is hardly any hope of a positive result. Involving people in Caucasian policy who enjoy no respect in the Caucasus is a complete waste of time.

At the end of the last round of talks Pastukhov made a press statement. To try to prove that we are behaving badly, Pastukhov recalled: "Fundamental political questions of Georgian-Abkhazian mutual relations remain open as do acute problems affecting the lives of many thousands of people such as the repatriation of the refugees and the restoration of the region's economy which has been wrecked by the bloody conflict. And all this is happening in conditions when rail and air transport are not working, when there is a shortage of fuel and electricity, and fall and winter are just around the corner." So what is happening? They blockade the border, condemn the people to hunger and deprivation, cut off the fuel and then express pity for the people?! This is frank cynicism.

[Lenskiy] But at one stage the talks were conducted by Russian Federation Vice Premier Bolshakov....

[Ardzinba] I think that he played a positive role. But our problems are connected first and foremost with the Russian Foreign Ministry. The inept policy that is being pursued with regard to Abkhazia is the Foreign Ministry's policy. This is the foreign policy version of officials who still think that their boss is living in Tbilisi.

[Lenskiy] But you know that Kozyrev's days are numbered and that a new minister is ready in our country, don't you?

[Ardzinba] Who is that?

[Lenskiy] Lukin.

[Ardzinba] He is a wily fox too.

[Lenskiy] But whom would you like?

[Ardzinba] Hmmm... Vorontsov is a very agreeable man (former deputy foreign minister and currently Russian ambassador to the United States — editor's note).

[Lenskiy] No matter who is in charge what we can see here is a toughening of official Russia's approach to

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Abkhazia. What do you think is the real background to this?

[Ardzinba] The events in Chechnya. The policy changed after that. Parallels are being drawn between Abkhazia and Chechnya.

This is a very dangerous time now. We have information about arms supplies to Georgia. Russian instructors are training the Georgian Army. We cannot ignore the report that joint Russian-Georgian maneuvers are going to be held in Georgia in October. This is reminiscent of the well-known events after the Tashkent agreement in 1992. On that occasion Georgia was given tanks and artillery and then they went into Abkhazia! No one was made accountable for the violation of the condition that the weapons were not to be used in interethnic conflicts. Now they are training the army again and that army is being prepared for another invasion of Abkhazia. We will react most resolutely.

[Lenskiy] Now, after V. Chernomyrdin's trip to Tbilisi, the situation has become aggravated again. The example of the Serb Krajina, which has been absorbed by Croatia, suggests that in the event of fresh aggression by Georgia the intermediaries and peace keepers will wash their hands of the whole thing and you will have to take care of yourselves again.

[Ardzinba] We have never overestimated the UN observers. This organization is just a cover for NATO's actions. And NATO's links with Shevardnadze are well known. We have transcripts of his conversations with the U.S. and German ambassadors during the war. Western diplomats justified ethnic cleansing as a factor for the stabilization of the situation in Abkhazia! Nor is it any wonder that punitive actions are being carried out in various parts of the world under cover of the United Nations. But we are confident that at the critical moment there will be forces among Russia's leadership, politicians, and the people who will speak out meaningfully.

[Lenskiy] What is your attitude toward Dudayev, Vladislav Grigoryevich?

[Ardzinba] Dudayev and I have met only once. That was a long time before he became president of Chechnya. Since then we have not even spoken together on the phone. As far as I am aware the assistance that we received came primarily from the Chechen people. These were armed civilians who stood shoulder to shoulder with us, aware that the small Abkhazian nation is on the verge of physical annihilation. The conflict between Russia and Chechnya is a completely different matter.

We have very good relations with the people of Chechnya and have a fraternal attitude toward great Russia. Having experienced for ourselves what war is like we did not want the deaths of either Russians or Chechens. That is why we did not send any volunteers to Chechnya. Had we done so someone would surely have held it against us.

[Lenskiy] Are you sharing your weapons, perhaps? After all, that was the pretext for closing the border along the River Psou.

[Ardzinba] As you know, weapons are not produced in Abkhazia. Both the Chechen weapons and the weapons that we used were made in Russia. Closing the border on that pretext was a deliberate provocation by dishonest people. Was even one gun discovered at the customs checkpoint? No. The blockade of our border has nothing to do with Chechnya. As the documents show, the blockade was organized at Mr. Shevardnadze's request. This is a means of forcing Abkhazia to submit to Georgia's terms. Try to imagine this: We are holding talks with a state whose leadership is calling for us to be starved into submission!

[Lenskiy] Recently, however, Abkhazia received humanitarian aid from Russia.

[Ardzinba] The harm done to us by the blockade far outweighs the good done by the humanitarian aid that we have received. Nevertheless, we are grateful, of course. This example shows that Russia's policy does not depend on the men from the Foreign Ministry alone.

In Abkhazian folklore there is an expression: "Out of the frying pan into the fire." Something like that has happened to us. After all the horrors of war we were hit by a natural disaster. First of all the aid was sent to the Russian community to distribute it among the Russian population affected by the disaster. Another consignment was sent to orphans who had lost both parents (there are around 50 in Abkhazia after the war) and children who have lost either their father or mother. By means of this aid we at last have an opportunity to distribute pensions.

[Lenskiy] How do you regard the future?

[Ardzinba] Our intentions regarding an alliance with Russia are firm. They are not dependent on circumstances. And even if someone tries to speak dishonestly on Russia's behalf at the talks we know that there is a difference between the people of Russia — we rely on them — and those people who are not their best representatives — those people come and go.

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Estonia

Official Denies Possibility of Joining NATO

LD2909230095 Moscow INTERFAX in English 2150 GMT 29 Sep 95

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] TALLINN, Sept 29 (Interfax) — Estonia's membership in NATO cannot even be discussed in as much as membership would bring with it the deployment of nuclear weapons and foreign troops on Estonian territory, an Estonian representative to the Baltic Assembly's presidium, Toomas Alatulu, told Interfax today.

Alatulu, who is also a member of the Estonian parliament, thus commented on the NATO document regarding the prospects for the alliance's expansion eastward circulated today.

Alatulu said that when considering its possible joining NATO, Estonia "expected to get a special status which would take into account this Baltic republic's desire to remain a non-nuclear country.

"After the NATO document was made known, such a possibility was withdrawn from the agenda," he said.

Alatulu said the NATO document "sobered us." He said it had made clear that "all this talk about NATO's enlargement was bluff from the very beginning."

Alatulu said he regretted that "the desire to join NATO which has become an end in itself, hindered the development of normal and more natural processes concerning the establishment of regional Baltic security.

"The former Estonian government was irresponsible about this problem," he said.

"Russia would react to the development of a security system in the Baltic region absolutely calmly.

"The strengthening of the Baltic borders and interaction between Latvia, Lithuania and Estonia for combatting illegal immigration and contraband would correspond with Moscow's interests," Alatulu said.

Latvia

Election Winners Negotiate To Form Government

LD0210183095 Moscow INTERFAX in English 1600 GMT 2 Oct 95

[FBIS Transcribed Text] RIGA, Oct 2 (Interfax) — The leaders of nine political parties and blocs which won more than 5% of votes at the parliamentary elections last weekend are still not ready to form a ruling coalition, they told a news conference in Riga Monday.

The leaders said they were "analyzing thoroughly other parties' elections programs to find possible common points to form a solid ruling coalition."

Meanwhile, the leaders of the democratic-oriented party Saimnieks which won the highest number of votes, with 15.34%, spoke against forming a bloc with the movement with the next highest number of votes, For Latvia, with 15.06%.

According to preliminary results, seven other parties surmounted the five-percent barrier, including the ruling Latvian Way (14.65%), For Motherland and Freedom association (11.62%), Latvian Unity movement (7.28%), nationalist Movement for Latvia's National Independence (6.17%), Latvian Farmers' Union (6.14%), Latvian Socialist Party (5.65%) and Popular Accord Party (5.61%). A total of 19 political parties and movements had taken part in the elections.

According to Latvia's legislation, a political organization winning at least 5% of votes is entitled to parliamentary representation.

Movement for Latvia Shows Gains

LD0210223895 Riga Radio Riga International in English 2130 GMT 2 Oct 95

[FBIS Transcribed Text] The most surprising success in the elections for everyone was that of the National Movement Latvia [People's Movement for Latvia], led by Joahims Zigerists. He is also the leader of the German national radical political organization of conservatives. He has been involved in several scandalous cases in Germany for heating national hatred.

Some days before the elections, the [word indistinct] sociopolitical questioning showed just little more than 5 percent, but according to the provsional results now, about 15 percent of the voters gave their votes for this party, and so it got 16 mandates in Saeima or parliament. Other two leading parties got the same number of seats in the Saeima and the fourth got 14 seats in it. Also other two leading parties have answered negatively to the question whether they would form a coalition with the National Movement Latvia.

The movement was formed in November 1994 with Joahims Zigerists as a leader. He was elected in the fifth Saeima from the Latvian National Independence Movement, but was later expelled due to his absence from plenary meetings of the Fifth Saeima. Zigerists was not a candidate for these elections because he couldn't speak Latvian fluently enough. Apart from his action in the German conservatives' organization, he leads also the campaign of gathering humanitarian aid for needy persons in Latvia. The money gathered in

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Germany was used in Latvia as an element of campaign, by giving aid to people who were invited to vote for or join the National Movement Latvia. Now 250 members are in this organization, but the number of the members' promoters has reached 12,000 people. The programmatic stands are based on several populistic slogans and the promise for golden times in Latvia. The party promises to restore the role of agriculture in economics, to form an army like a hedgehog, and to provide proper salaries for people in pedagogics.

Here are some sentences by Maris Gailis, the prime minister of the fifth Saeima, and the deputy candidate in the register of the liberal party Latvijas Cels [Latvian Way]. He says it's a strange feeling having a party with no program, Zigerists' party, as a rival. He mentions parties that have shoved enormous sums of money in their campaigns and have simply cheated voters. One of the two parties was that of Zigerists. He considers the results of the elections to be written in the Guinness record book.

Rightwing Parties Form Coalition

LD0310100895 Riga Radio Riga Network in Latvian 0900 GMT 3 Oct 95

[FBIS Translated Text] The Union For the Fatherland and Freedom, the LNNK [Latvian National Conservative Party], the Latvian Green Party, the Latvian Union of Peasants, the Latvian Union of Christian Democrats, and the Democratic Party of Latgale concluded a coalition agreement this morning. So then, this coalition will have 29 seats in the Saeima. It is presently the biggest political grouping in the new Saeima. The coalition undertakes to continue the work of the National Bloc and expresses its readiness to form a government. It is possible that some other party will join this coalition. Talks are also going on between other political forces.

State President Guntis Ulmanis is today beginning consultations with representatives of the political parties elected to the Saeima, so that within the next few weeks he will be able to decide whom to instruct to form the next government. Today, Ulmanis will meet with representatives of the Democratic Party Saimnieks, the People's Movement for Latvia, the Union For the Fatherland and Freedom and the Latvian Way.

The state president said earlier that it is possible that a candidate for prime minister might not be a representative of the largest party in the new parliament, but rather a professional politician capable of making compromises.

The present government of Maris Gailis may continue its work even after the new parliament convenes. However, in that case it would no longer represent a new balance of forces in the Saeima.

Council Satisfied With Election

LD0210183495 Riga Radio Riga Network in Latvian 1600 GMT 2 Oct 95

[FBIS Translated Text] On the whole, the elections to the Sixth Saeima passed off in accordance with existing legislation, the National Security Council concluded today. On 30 September and 1 October, no noteworthy legal violations were recorded, apart from some voters' complaints of individual disturbances of the compartments at polling stations, Council Secretary (Gundars Berzkalns) reports.

On the basis of reports from the Ministries of Foreign Affairs, Defense, and Internal Affairs about the current situation in the country, the Council believes that the post-election situation in the country is stable.

Lithuania

Foreign Ministry 'Welcomes' NATO Document

WS0310082495 Tallinn BNS in English 1318 GMT 2 Oct 95

[FBIS Transcribed Text] Vilnius, October 2, BNS — The Lithuanian ministry of foreign affairs welcomes the plan for the development of NATO which it regards as one of the concrete stages for expansion of this organization.

Lithuanian diplomats are now studying the document, officially presented in Brussels on Thursday, on the expansion of the Alliance to the East and are preparing for a visit of a NATO delegation to Lithuania planned for October, a press release of the foreign ministry says.

The Lithuanian ministry of foreign affairs notes that the plan "brings potential partners closer to NATO membership," putting all countries interested in NATO membership on an equal footing, and strengthens security for Europe as a whole.

"The Lithuanian foreign ministry welcomes the readiness of the Alliance to offer greater opportunities to potential candidates for European Union membership," the statement issued Friday reads.

Lithuanian and the other Baltic states signed an agreement on associate membership in the European Union this past June.

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Russia To Exchange Nuclear Fuel for Electricity

WS0310084795 Tallinn BNS in English 1821 GMT 2 Oct 95

[FBIS Transcribed Text] Vilnius, October 2, BNS — Lithuania will export electricity to Russia in exchange for nuclear fuel. An agreement to this effect was signed in mid-September by the Lithuanian State Energy System (LSES) and the Russian foreign trading company Energija.

This is the first contract in which electricity, exported by Lithuania, will be exchanged for atomic fuel. The sale of electricity will begin in November, when both reactor blocks of the Ignalina Atomic Power Plant begin functioning again after repairs.

Anicetas Mikuzis, deputy director general of LSES, told BNS that the contract is beneficial for Lithuania, since it will allow acquisition of nuclear fuel without payment of money and, moreover, will increase electricity export. The greater the production capacity of the Ignalina plant, the less expensive electricity will be.

The agreement between Lithuanian and Russian energy sectors extends until May 1, 1996, and will entail up to 4 billion kW/h of electricity for which Russia will pay in nuclear fuel. A separate contract will be signed each month, in which the quantities of electricity, fuel and prices will be specified.

The price for one kW/h of electricity for Russia will be more than 6 centas (0.015 USD). The total value of the contract is about 60 million USD. According to Mikuzis, if Lithuania sells the entire amount envisioned, the nuclear fuel received will suffice for Ignalina's needs until May of next year.

Since spring of this year, Lithuania has been exporting electricity to Belarus as well. Georgijus Chorosevskis, assistant energy minister, told BNS that by the end of this year a total of about 2 billion kW/h of electricity will have been sold.

The Ignalina power plant plans to produce 10-12 billion kW/h this year. The cost of producing one kilowatt-hour is about 5 centas.

Ignalina uses about 70 million USD worth of nuclear fuel annually.

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